



# राजपत्र, हिमाचल प्रदेश

## हिमाचल प्रदेश राज्यशासन द्वारा प्रकाशित

खण्ड 19]

शिवला, शनिवार, 6 मार्च, 1971/15 फाल्गुन, 1892

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विज्ञप्ति की संख्या	विभाग का नाम	विषय
No. 14-7/66-Home, dated the 13th August, 1970.	Home Department	Authorising the carrying out of field firing and artillery practice by Army authorities throughout the notified area in Kangra district.
No. 3-12/68-Elec., dated the 3rd March, 1971.	Election Department	Republication of the Election Commission of India's Notification No. 434/HP/71, dated the 26th February, 1971.
No. 6-4/69-Elec., dated the 13th February, 1971.	-do-	Republication of the Election Commission of India's Notification No. 56/71-VII, dated the 9th February, 1971.
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No. 6-4/69-Elec., dated the 23rd February, 1971.	-do-	Republication of the Election Commission of India's Notification No. 56/71-XI, dated the 12th February, 1971.

**भाग 1—वैधानिक नियमों को छोड़ कर हिमाचल प्रदेश के राज्यपाल और हिमाचल प्रदेश हाई कोर्ट द्वारा अधिसूचनाएं इत्यादि**

**हिमाचल प्रदेश सरकार**

**DEPARTMENT OF PERSONAL  
(APPOINTMENT DEPARTMENT)**

**NOTIFICATIONS**

*Simla-2, the 6th February, 1971*

**No. 11-4 66-Apptt.**—In exercise of the powers conferred by sub-section (1) of section 12 of the Code of Criminal Procedure, 1898 (Act V of 1898), the Governor, Himachal Pradesh is pleased to appoint Shri S. K. Alok, I.A.S., Deputy Commissioner, Mahasu district, to be the Magistrate of First Class, with all the powers of a Magistrate First Class, under the said Code, to be exercised within the local limits of Mahasu district, with effect from 27th January, 1971 forenoon.

2. In exercise of the powers conferred by sub-section (1) of section 10 of the Code of Criminal Procedure, 1898 (Act V of 1898), the Governor, Himachal Pradesh is further pleased to appoint Shri S. K. Alok, I.A.S., Magistrate of First Class, to be the District Magistrate of Mahasu district, with effect from 27th January, 1971 forenoon.

*Simla-2, the 6th February, 1971*

**No. 10-2 68-Apptt.**—In exercise of the powers conferred by sub-section (1) of section 12 of the Code of Criminal Procedure, 1898 (Act V of 1898), the Governor, Himachal Pradesh is pleased to appoint Shri Raj Mani, HPAS, Sub-Divisional Officer (Civil), Pooh to be the Magistrate of First Class under the said Code to exercise the powers as such within the local limits of Sub-Division Pooh of Kinnaur district with immediate effect.

2. In exercise of the powers conferred by section 13 of the Code of Criminal Procedure, 1898 (Act V of 1898), the Governor, Himachal Pradesh is further pleased to place Shri Raj Mani incharge of the Sub-Division Pooh, District Kinnaur to be called Sub-Divisional Magistrate Pooh, District Kinnaur.

**HARSH GUPTA,  
Joint Secretary.**

**AGRICULTURE DEPARTMENT**

**NOTIFICATION**

*Simla-4, the 11th February, 1971*

**No. 42-4 69-Agr. Sectt.**—Whereas it appears to the Governor, Himachal Pradesh, that land is required to be taken by the Government at the public expense for a public purpose, namely for the additional land to the farm area of Plant Introduction Sub-station, Indian Agricultural Research Institute, Phagti, Simla-4, it is hereby declared that the land described in the specification below is required for the above purpose.

This declaration is made under the provisions of section 6 of the Land Acquisition Act, 1894 to all whom it may concern and under the provisions of section 7 of the said Act, the Collector, District Simla, is hereby directed to take order for the acquisition of the said land.

A plan of the land may be inspected in the office of the Collector, District Simla.

<b>SPECIFICATION</b>		<b>Tehsil:</b> SIMLA	
<b>District:</b> SIMLA	<b>Village</b>	<b>Khasra No.</b>	<b>Area</b> <b>Big. Bis.</b>
PHAGLI	1. 230/170/5 and 229/167/1 2. One half of Khasra Nos. 160, 161, 162, 163, 228/167. 3. 230/170/4 4. 136 and 137 5. 154, 165, 166, 229/167/2		4 17 5 19 6 5 0 16 23 00
		Total ..	40 17

P. K. MATTOO,  
Secretary.

**CIVIL SUPPLIES DEPARTMENT**  
**NOTIFICATION**

*Simla-2, the 20th February, 1971*

**'No. 3-11/69-CS&T.**—In exercise of the powers conferred by section 3 of the Essential Commodities Act, 1955 (10 of 1955) and all other powers enabling him in this behalf the Governor, Himachal Pradesh is pleased to order that clause (2) of section 5 of H.P. Foodgrains Dealers Licensing Order, 1968 may be substituted as under:—

(2) The fees specified below shall be chargeable in respect of each licence namely:—

For issue of licence ..	Rs. 5
For renewal of licence upto 31st December of the year ..	Rs. 2
For renewal of licence within one month after the expiry period of licence-penalty payable ..	Rs. 10
For renewal of licence within two months after the expiry period of licence-penalty payable ..	Rs. 20
For renewal of licence within three months after the expiry period of licence-penalty payable ..	Rs. 30
For issue of duplicate licence ..	Rs. 10

Provided that if the licence is not got renewed within 3 months after the expiry period, the same shall stand cancelled and that fresh licence, applied for, will be issued only after charging the usual fee of Rs. 5 plus the penalty charges of Rs. 30 as prescribed above:

Provided that no fee shall be charged for issue of a duplicate licence if the licensing authority is satisfied that the original licence has become defected, mutilated, illegible or otherwise rendered useless for no fault of the licensee.

By order,  
Sd/-  
Secretary.

**HEALTH AND FAMILY PLANNING DEPARTMENT**  
**NOTIFICATIONS**

*Simla-2, the 8th February, 1971*

**No. 1-130/69-H&FP.**—The Governor, Himachal Pradesh, is pleased to accept the resignation of Dr. Mrs. Harcharan Kaur C.A.S. on ad hoc basis Medical Officer, Referral Hospital, Dadahu, with effect from 14th August, 1970 forenoon.

Simla-2, the 11th February, 1971

No. 1-11/71-H&F P.—The Governor of Himachal Pradesh, is pleased to appoint Dr.(Miss) Indra Thakur as Civil Assistant Surgeon, Grade I in the scale of Rs. 350-25-500-30-590/30-830-35-900 on *ad hoc* basis for a period of one year from 4-12-1970 (A.N.) or till the post is filled up on regular basis, whichever is earlier.

S. L. TALWAR,  
Under Secretary.

## INDUSTRIES BRANCH NOTIFICATION

Simla-4, the 13th February, 1971

No. 2-111/69-SI (NF). The Governor, Himachal Pradesh is pleased to re-appoint and appoint the following as Directors and Chairman of the Nahan Foundry Ltd., with effect from the 28th December, 1970, on which the Annual General Meeting of the Share holders of the Nahan Factory took place and the present Board of Directors retired:—

1. Dr. Y. S. Parmar, Chief Minister, Himachal Pradesh ..	<i>Director &amp; Chairman</i>
2. Shri Padam Dev, Forest Minister, Himachal Pradesh ..	<i>Director</i>
3. Shri N. Krishnaswami, Industrial Advisor, Government of India ..	<i>Director</i>
4. Shri S. B. L. Singhal, Director, Khadi and Village Industries Commission ..	<i>Director</i>
5. Shri P. K. Mattoo, Secretary (Industries), Himachal Pradesh ..	<i>Director</i>
6. Shri S. K. Chauhan, Director of Industries ..	<i>Director</i>
7. Shri Jagat Singh ..	<i>Director</i>
8. Shri M. M. Sahai Srivastava, Finance Secretary ..	<i>Director</i>
9. Shri Prem Chand Stocks, P.O., Thanedhar, District Mahasu, Himachal Pradesh. ..	<i>Director</i>

By order,  
P. K. MATTOO,  
Secretary.

## LAW DEPARTMENT NOTIFICATION

Simla-2, the 25th January, 1971

No. LR. 107-468/54-III. In exercise of the powers conferred by clause (1) of article 299 of the Constitution of India, the Governor of Himachal Pradesh, hereby directs that the undermentioned contracts and assurances of property made in the exercise of the executive power of the Government of Himachal Pradesh may be executed on his behalf as follows:—

- In the case of all Departments of the Government of Himachal Pradesh including their attached and subordinate offices, Himachal Pradesh Public Service Commission, the Himachal Pradesh, Vidhan Sabha Secretariat and Governor's Secretariat:—
  - Contracts and other instruments relating to advances granted to Government servants or the purchase of motor cars, motor cycles, cycles or houses or for building houses or for medical attendance and treatment or for festivals, marriages, funerals or other ceremonies or for relief against floods etc. or advances of pay and travelling allowance on transfer and tour, or advances of pay to persons proceeding on deputation abroad or advances in respect of the Travel Concession Scheme during regular leave; by the authority sanctioning the advance.
  - Contracts and other instruments in respect of accommodation provided in rented buildings (*i*) for catering in hostels and tiffin rooms, (*ii*) for the protection of conveyances belonging to the staff working in such rented buildings and (*iii*) for co-operative stores/societies/banks/canteens

run by employees' associations/societies, by the Head of Department/Office which is in occupation of the building and is responsible for the payment of municipal taxes etc.

3. Indemnity Bonds relating to conveyance and transport at Government expense of families and personnel effects of Government servants who die while in service, by the Head of Office under whom the deceased government servant last served.

4. Contracts and other instruments relating to the—  
(i) payment of advance subscriptions for the purchase of newspapers, magazines, periodicals, etc.;  
(ii) purchase, supply and conveyance or carriage of materials, store and machinery;

by the Head of Office concerned.

B. 1. Surety Bonds relating to the grant of pension to Government servants or provisional pension to displaced Government servants, by the authorities sanctioning the pension or provisional pension.

2. Security Bonds of Cashiers and other Government Servants and/or their sureties to secure the due execution of and office or the due accounting for money or other property received by virtue thereof by the Head of Office concerned.

C. Pledge and release of Postal Savings Certificate and Post Office Savings Bank Accounts as security by only those Gazetted Officers of the Himachal Pradesh Government who for due performance of their duties are required to accept and release securities.

D. All instruments appointing attorneys and Counsel, by the Officers empowered to authenticate orders and other instruments under clause (2) of article 166 of the Constitution.

II. As regards contracts etc. no hereinbefore specified:—

1. All deeds and instruments relating to matter other than those specified in item 2 to 10 below by a Secretary to the Himachal Pradesh Government.

2. Contracts and other instruments relating to matters connected with the administration of forests and the business of the Forest Department, but not relating to the purchase or sale or permanent acquisition of land:—

- if the amount or value does not exceed Rs. 4,000 by the Divisional Forest Officer;
- if the amount or value does not exceed Rs. 1,00,000 by the Conservator of Forests; and
- if the amount or value exceeds Rs. 1,00,000; but not Rs. 2,00,000; by the Chief Conservator of Forests.

3. Sanctions of petty leases for specified purposes, such as water mills, shops, timber depots:—

- upto Rs. 1,000 per annum in each case for periods not exceeding five years; by the Divisional Forest Officer;
- upto Rs. 3,000 per annum in each cases for periods not exceeding five years; by Conservator of Forests.
- upto Rs. 5,000 per annum in each case for period exceeding five years; by the Chief Conservator of Forests. In the case of the public Works Department—
- all instruments relating to purchase, supply and conveyance or carriage of materials, stores, machinery etc.,
- all instruments relating to the execution of works of all kinds connected with building, bridges, roads, canals, tanks, reservoirs, and embankments and instruments relating to the construction of water works and the erection of machinery;
- bonds of auctioneers and security bonds for due performance and completion of works; and
- security bonds for the performance of their duties by Government servants whom the officers specified below have power to appoint;

by Chief Engineer, Superintending Engineers, Divisional Officers, Sub-Divisional Officers, Assistant Executive Engineers, Assistant Electric Engineers and Assistant Engineers;

5. (a) Contracts and other instruments connected with ferries, dues for grazing cattle on places other than forests, fisheries, nazul buildings, spontaneous products and minerals, execution of minor works not under the Public Works Department; and for the supply of necessary depots;

- contracts and other instruments in matters connected with the lease or sale of land;
- contracts relating to any matters falling within his ordinary jurisdiction;
- instruments of free grants of proprietary rights in land;
- instruments whereby property is mortgaged to the Government as security for a loan; and
- instruments of exchange of land;

by the Deputy Commissioner in or a Secretary or an Under Secretary to the Himachal Pradesh Government.

6. Contracts for the supply of articles for use in jails; or regarding the sale of articles manufactured in Jails; by the Inspector General of Prisons, Himachal Pradesh.

7. Contracts and other instruments for the supply of stores, clothing etc.; by the Heads of Departments concerned.

8. Contracts for booking premises and engagement of private vehicles; by the Regional Managers of Himachal Pradesh Government Transport.

9. Contracts and other instruments relating to matters connected with their respective departments (including mining leases); by the Head of the Department concerned.

10. Contracts and instruments relating to lease of premises for office purpose when the annual rent does not exceed Rs. 50,000; by the Head of Office.

III. Notwithstanding anything hereinbefore contained, any contract or assurances of property relating to any matter whatsoever may be executed by a Secretary or a Joint Secretary or a Deputy Secretary or an Under Secretary to the Government of Himachal Pradesh in the appropriate Department and in the case of Vidhan Sabha Secretariat, by the Secretary or Under Secretary, Himachal Pradesh, Vidhan Sabha and in the case of Himachal Pradesh Public Service Commission, by the Secretary of the Commission and in the case of Governor's Secretariat, by the Secretary to the Governor.

IV. Where any business of any department is, by virtue of re-organisation or otherwise, transferred to any other department, whether existing or new, references in this notification to the department from which such business is transferred, shall, in relation to such business, be construed as references to the department to which it has been transferred.

*Colonisation.*—In this paragraph "department" means any Department Secretariat or Office of the Government of Himachal Pradesh.

D. B. LAL,  
Secretary (Judicial).

#### PUBLIC WORKS DEPARTMENT NOTIFICATIONS

Simla-2, the 11th February, 1971

No. 2-33-70-PWD.—Whereas it appears to the Governor, Himachal Pradesh, that the land is required to be taken by the Government at public expense for a public purpose, namely for construction of Link Road to Kotkhai Bazar, it is hereby declared that the land described in the specification below is required for the above purpose.

2. This declaration is made under the provisions of section 6 of the Land Acquisition Act, 1894, to all whom it may concern and under the provisions of section 7 of the said Act, the Collector, Land Acquisition, Himachal Pradesh Public Works Department is hereby directed to take order for the acquisition of the said land.

3. A plan of the land may be inspected in the office of the Collector, Land Acquisition, Himachal Pradesh P.W.D., Simla-2.

#### SPECIFICATION

District	MAHASU	Sub-Tehsil:	KOTKHAJ
Village	Khasra No.	Area Big.Bis.	
GEHAR (Gehar)	7/1	0 2	
	8/1	0 2	
	9/1	0 9	
	81/77	0 1	
	46/1	0 1	
	47/1	0 6	
	106/57	0 7	
	124/45/1	2 15	
	Total	4 3	

Simla-2, the 11th February, 1971

No. 2-36-70-PWD.—Whereas it appears to the Governor of Himachal Pradesh that land is likely to be required to be taken by Government at public expense for a public purpose, namely for constructing Bhawarna-Khera-Alampur road (Section Bhawarna to Maniara Mile 1-2) in Kangra district. It is hereby notified that the land in the locality described below is likely to be acquired for the above purpose.

This notification is made under the provision of section 4 of the Land Acquisition Act, 1894 to all whom it may be concerned.

In exercise of the powers conferred by the aforesaid section, the Governor of Himachal Pradesh is pleased to authorise the officers for the time being engaged in the undertaking with their servants and workmen to enter upon and survey any land in the locality and do all other acts required or permitted by that section.

Any person interested, who has any objection to the acquisition of any land in the locality may, within 30 days of the publication of this notification, file an objection in writing before the Land Acquisition Collector, Himachal Pradesh, P.W.D., Kangra.

SPECIFICATION		
District: KANGRA	Tehsil: PALAMPUR	
Tikka	Village	Area in acres
THELAR	BHAWARNA	0.58
BHATI	BHATI	0.83
KAHKHREROO	BHATI	0.67
CHANHER HAR	HARIPUR	2.06
HAR	PUNNER	0.75
NANGNAL	PUNNER	1.84
MALNOO	PUNNER	0.45

Simla-2, the 11th February, 1971

No. 2-36-70-PWD.—Whereas it appears to the Governor, Himachal Pradesh that land is required to be taken by the Government, for public expense for a public purpose, namely for constructing Dharamsala to Narghota road in Kangra district. It is hereby declared that the land described in the specification below is required for the above purpose.

This declaration is made under the provision of section 6 of the Land Acquisition Act, 1894 to all whom it may concern and under the provision of section 7 of the said Act, the Land Acquisition Collector, Kangra, Himachal Pradesh Public Works Department is hereby directed to take orders for the acquisition of the said land.

Plan of the land may be inspected in the offices of the Executive Engineer, Dharamsala, Himachal Pradesh P.W.D., Dharamsala and the Land Acquisition Collector, Himachal Pradesh P.W.D., Kangra.

#### SPECIFICATION

District: KANGRA	Tehsil: KANGRA
Tikka	Village
CIVIL STATION.	Area with description of Khasra No.
PATT	31/1, 32/1, 36/1, 36/2, 40/1, 0.69
DHARAMSALA	101, 2/1, 3/1, 4/1, 5, 6/1, 12/1, 1.01
	13/14, 15/1,
NARG- HOTA	131/1, 132, 133, 134/1, 94/1, 274/99, 100/1, 101/1, 102/1, 290/225/1, 1, 170/1 170/2, 172/2/1, 180/1, 181/1, 182/1, 183/1 184/1, 189/1, 190/1, 191/1
	2.57.

By order,  
U. N. SHARMA,  
Secretary.

#### REVENUE DEPARTMENT NOTIFICATION

Simla-2, the 11th February, 1971

No. 6-2/71 (Rev.1).—In exercise of the powers conferred by section 3 (1-A)(3)(1)(a)(3)(1)b(i) of the East Punjab War Awards Act, 1948, read with the Government of India, Ministry of Home Affairs, notification No. S.O. 3370, dated the 1st November, 1966, the Governor, Himachal Pradesh is pleased to make a grant of War Jagirs of the annual value of Rs. 100.00 each (Rupees one hundred) only in favour of the undermentioned persons as award for war services rendered by their respective son/sons subject to such conditions as to its enjoyment as are contained in their respective sanads of the Jagir granted to them in this behalf:—

Sl. No.	No. of sons in Armed Forces	Name/parentage of the grantee	Particulars about residence	Annual Amount of War Jagir effective	Rabi/ Kharif	
					1	2
3	4	5				
1. One		Shri Ram Saran s/o Shri Ganpat Ram.	Bhadhsali, Una	Rs. 100		
					(Kharif, 1965).	-do-
2. One		Shrimati Daropti Devi wd/o Shri Shamsher Singh.	Malahat, Una			
3. One		Shri Dasu Ram s/o Shri Gurditta.	Daulatpur, Una			-do-
4. Three		Shri Lakhu Ram s/o Shri Kanshi Ram.	Chale, Una	Rs. 100		(Rabi, 1967).
5. Three		Shri Amar Singh s/o Shri Narang.	Singan alias Surkalan, Una	Rs. 100,		(Rabi, 1966).

S. R. MAHANTAN,  
Deputy Secretary.

## भाग 2—वैधानिक नियमों को छोड़ कर विभिन्न विभागों के अध्यक्षों और ज़िला मैजिस्ट्रेटों द्वारा अधिसूचनाएं इत्यादि

### OFFICE OF THE COLLECTOR, CHAMBA DISTRICT CHAMBA (HIMACHAL PRADESH)

#### OFFICE ORDER

*Chamba, the 18th February, 1971*

No. E&T-1595.—Consequent upon persistent defaults in the payment of monthly instalments of licence fee, during the currency of the financial year, 1970-71, by Sarvshri Ram Parkash s/o Shri Rura Mal Pandit, village and P.O. Beharampur, District Gurdaspur and Surriendar Mohan s/o Shri Ram Ditta Mal, Village and P.O. Hajipur, Tehsil Dasuya, District Hoshiarpur (Punjab), the defaulting licensees of Bharmaur and Holi country liquor units and L-2 unit Rakh-in, Chamba district, their licences were cancelled under section 36 (c) of the Punjab Excise Act as applied to Himachal Pradesh and put to reauction at their own responsibilities, which has resulted in loss to the Himachal Pradesh Government.

2. And, whereas, Sarvshri Ram Parkash s/o Shri Rura Mal Pandit and Surriendar Mohan s/o Shri Ram Ditta Mal have failed to pay the arrears of licence fee amounting to Rs. 18,010 despite affording them sufficient opportunity and thus they are not fit persons to hold any licence for the vend of liquor or drug, according to the provisions of clause 'C' of order 7 of the Himachal Pradesh Intoxicant Licence and Sale Orders, 1965 and thus they are declared as Black Listed persons to hold any licence for the vend of liquor or drug.

Sd/-  
Collector,  
Chamba district.

### INDUSTRIES DEPARTMENT

#### FORM 'H'

### DECLARATION UNDER SECTION 24 OF THE ACT

*Bilaspur, the 15th February, 1971*

No. UB (LOAN) (SANCT)/69-6050.—Whereas a notice was served on Shri Bagsi Ram s/o Shri Mohan, Village Kothi, P.O. Talyana, Tehsil Ghumarwin, District Bilaspur on the 21st August, 1970, under section 23 of the Punjab State Aid to Industries (Himachal Pradesh) Amendment Act, 1964, calling upon the said Shri Bagsi Ram to pay to me the sum of Rs. 393.33 on or before the 31st August, 1970 and whereas the said sum has not been paid, I hereby declare that the sum of Rs. 333.33 as principal plus interest Rs. 60 upto 28th June, 1970 and further interest will be charged till the date of payment is due from the said Shri Bagsi Ram and that the property described in the attached schedule is liable for the satisfaction of the said debt.

#### SCHEDULE

Personal bond of loanee issued by M.L.A. Shri Girdittu Ram.

Sd/-

Asstt. District Industries Officer,  
District Bilaspur, H. P.

#### FORM 'H'

### DECLARATION UNDER SECTION 24 OF THE ACT

*Bilaspur, the 15th February, 1971*

No. UB (LOAN) (SANCT)/69-6041.—Whereas a notice was served on Shri Tulsi Ram s/o Shri Girdittu, House No. 112, Daira Sector No. 1, N.B.T., Bilaspur on the 20th November, 1970 under section 23 of the Punjab State Aid to Industries (Himachal Pradesh) Amendment

Act, 1964, calling upon the said Shri Tulsi Ram to pay to me the sum of Rs. 569.15 on or before the 30th November, 1970, and whereas the said sum has not been paid, I hereby declare that the sum of Rs. 500 as principal plus interest Rs. 69.15 upto 4th September, 1970 and further interest will be charged till the date of payment is due from the said Shri Tulsi Ram and that the property described in the attached schedule is liable for the satisfaction of the said debt.

#### SCHEDULE

Self owned house of loanee No. 112, single storey consisting four rooms standing on plot No. 112, situated in Daira Sector No. 1, New Bilaspur.

Sd/-  
Asstt. District Industries Officer,  
District Bilaspur, H. P.

#### FORM 'H'

### DECLARATION UNDER SECTION 24 OF THE ACT

*Bilaspur, the 15th February, 1971*

No. UB (LOAN) (SANCT)/69-6037.—Whereas a notice was served on Shri Lekh Ram s/o Shri Lehru Ram, Village Kalru, P.O. and Tehsil Ghumarwin, District Bilaspur on the 6th August, 1971 under section 23 of the Punjab State Aid to Industries (Himachal Pradesh) Amendment Act, 1964, calling upon the said Shri Lekh Ram to pay to me the sum of Rs. 339 on or before the 31st October, 1970 and whereas the said sum has not been paid, I hereby declare that the sum of Rs. 299.84 as principal plus interest Rs. 60 upto 30th June, 1970 and further interest will be charged till the date of payment is due from the said Shri Lekh Ram and that the property described in the attached schedule is liable for the satisfaction of the said debt.

#### SCHEDULE

Land entered in Jamabandi Khata Khatauni No. 7/11 min, total 7 members, 15 bighas 4 biswas situated in village Kalru, Tehsil Ghumarwin. The share of Shri Lekh Ram comes to about 3-16 bighas costing Rs. 637.37.

Sd/-  
Asstt. District Industries Officer,  
District Bilaspur, H. P.

#### FORM 'H'

### DECLARATION UNDER SECTION 24 OF THE ACT

*Bilaspur, the 15th February, 1971*

No. UB (LOAN) (SANCT)/69-6027.—Whereas a notice was served on Shri Ram Ditta s/o Shri Madho, village Makri, P.O. Jukhala, District Bilaspur on the 27th August, 1970 under section 23 of the Punjab State Aid to Industries (Himachal Pradesh) Amendment Act, 1964, calling upon the said Shri Ram Ditta to pay to me the sum of Rs. 2,723.33 on or before the 15th September, 1970 and whereas the said sum has not been paid, I hereby declare that the sum of Rs. 2,083.33 as principal plus interest Rs. 640 upto 13th March, 1970 and further interest will be charged till the date of payment is due from the said Shri Ram Ditta and that the property described in the attached schedule is liable for the satisfaction of the said debt.

#### SCHEDULE

House of loanee double storied consisting 4 rooms

standing on Khasra No. 267, situated in village Makri, Tehsil Sadar, (Bilaspur).

Sd/-

*Assistant District Industries Officer,  
District Bilaspur, H. P.*

FORM 'H'

## DECLARATION UNDER SECTION 24 OF THE ACT

*Bilaspur, the 15th February, 1971*

**No. UB (LOAN) (SANCT)/69-6023.**—Whereas a notice was served on Shri Ram Krishan Chopra s/o Shri Chiranji Lal Chopra, r/o Plot No. 105, Daira Sector, Bilaspur on the 21st August, 1970 under section 23 of the Punjab State Aid to Industries (Himachal Pradesh) Amendment Act, 1964, calling upon the said Shri Ram Krishan Chopra to pay to me the sum of Rs. 403.33 on or before the 31st August, 1970 and whereas the said sum has not been paid, I hereby declare that the sum of Rs. 333.33 as principal plus interest Rs. 70 upto 19th March, 1970 and further interest will be charged till the date of payment is due from the said Shri Ram Krishan Chopra and that the property described in the attached schedule is liable for the satisfaction of the said debt.

## SCHEDULE

Personal Surety of Shri Tulsi Ram Tadu s/o Prehlad Dass, r/o House No. 154, Sector No. II, New Bilaspur, Himachal Pradesh.

Sd/-

*Assistant District Industries Officer,  
District Bilaspur, H. P.*

FORM 'H'

## DECLARATION UNDER SECTION 24 OF THE ACT

*Bilaspur, the 15th February, 1971*

**No. UB (LOAN) (SANCT)/69-6013.**—Whereas a notice was served on Shri Shayama Nand s/o Shri Tulsi Ram r/o New Bilaspur Town, c/o M/s Friends Stationery Mart, Main Market, Bilaspur on the 21st August, 1970 under section 23 of the Punjab State Aid to Industries (Himachal Pradesh Amendment Act, 1964, calling upon the said Shri Shama Nand to pay to me the sum of Rs. 2,148 on or before the 31st August, 1970; and whereas the said sum has not been paid, I hereby declare that the sum of Rs. 1,666.66 as principal plus interest Rs. 482.12 upto 31st March, 1970 and further interest will be charged till the date of payment is due from the said Shri Shama Nand and that the property described in the attached schedule is liable for the satisfaction of the said debt.

## SCHEDULE

House single storeyed consisting 2 rooms standing on Plot No. 129 B and 130 of Shri Shama Nand and Smt. Rukmani Devi w/o Shri Shayama Nand.

Sd/-

*Assistant District Industries Officer,  
District Bilaspur, H. P.*

FORM 'H'

## DECLARATION UNDER SECTION 24 OF THE ACT

*Solan, the 11th February, 1971*

**No. UM (LOAN) 18-3/66-RIP-73.**—Whereas a notice was served on Shri Sansar Chand s/o late Shri Kirpa Ram, village Kayartoo, P.O. Chandi on the 22nd

November, 1970, under section 23 of the Punjab State Aid to Industries Act, 1935, as modified and applied to Himachal Pradesh calling upon the said Shri Sansar Chand to pay to me the sum of Rs. 10,000 on or before the 8th December, 1970; and whereas the said sum has not been paid, I hereby declare that the sum of Rs. 10,000 is due from the said Shri Sansar Chand and that the property described in the attached schedule is liable for the satisfaction of the said debt.

## SCHEDULE

1. Shri Prem Chand s/o late Shri Kirpa Ram, Block Development Officer, Kunihar (Permanent Government servant) Himachal Pradesh.
2. Shri Nihal Singh s/o Shri H. Singh Magistrate 1st Class Kasumpti, Simla-9 (Permanent Government servant) Himachal Pradesh.

Sd/-

*District Industries Officer,  
Mahasu District, Solan.*

FORM 'H'

## DECLARATION UNDER SECTION 24 OF THE ACT

*Solan, the 11th February, 1971*

**No. UM (LOAN) 39/66.**—Whereas a notice was served on Savshri Bala Ram, Kanshi Ram s/o Shri Kanshi Ram and Zulfa, village Chaklu, Tehsil Arki, District Mahasu, Himachal Pradesh on the 26th November, 1970 under section 23 of the Punjab State Aid to Industries Act, 1935, as modified and applied to Himachal Pradesh calling upon the said Shri Bala Ram, Kanshi Ram to pay to me the sum of Rs. 4,666.66 on or before the 12th December, 1970; and whereas the said sum has not been paid, I hereby declare that the sum of Rs. 4,666.66 is due from the said Savshri Bala Ram, Kanshi Ram and that the property described in the attached schedule is liable for the satisfaction of the said debt.

## SCHEDULE

Land comprised in Khasra No. 537 situated in village Uchagaon, Tehsil Arki, District Mahasu, Himachal Pradesh measuring 13 bighas, 4 biswas.

Sd/-

*District Industries Officer,  
Mahasu District, Solan.*

## PUBLIC WORKS DEPARTMENT

## NOTIFICATION

*Simla-3, the 2nd November, 1970*

**No. SE-II-R-54/IX-14240-43.**—Whereas it appears to the Lieutenant Governor, Himachal Pradesh that the land is required to be taken by the Government at public expense for a public purpose, namely for construction of H.T. Road, it is hereby declared that the land described in the specification below is required for the above purpose.

2. The declaration is made under the provisions of section 6 of the Land Acquisition Act, 1894 to all whom it may concern and under the provisions of section 7 of the said Act, the Collector, Land Acquisition, Himachal Pradesh Public Works Department, is hereby directed to take order for the acquisition of the said land.

3. A plan of the land may be inspected in the office of the Collector, Land Acquisition, Himachal Pradesh

Public Works Department, Simla-9.

SPECIFICATION

District: MAHASU

Tehsil: RAMPUR

Village	Khasra No.	Area Big. Bis.
SANARSA	540/278/1	0 11
	542/279/2/1	0 9
	Total ..	1 0

Simla-3, the 2nd November, 1970

No. SE-II-R-54/IX-14224-27.—Whereas it appears to the Lieutenant Governor, Himachal Pradesh that the land is required to be taken by the Government at public expense for a public purpose, namely for construction of Luri, Dalash road, it is hereby declared that the land described in the specification below is required for the above purpose.

2. The declaration is made under the provisions of section 6 of the Land Acquisition Act, 1894, to all whom

it may concern and under the provisions of section 7 of the said Act, the Collector, Land Acquisition, Himachal Pradesh Public Works Department, is hereby directed to take order for the acquisition of the said land.

3. A plan of the land may be inspected in the office of the Collector, Land Acquisition, Himachal Pradesh Public Works Department, Simla-9.

SPECIFICATION

District: KULU

Tehsil: ANNI

Village	Khasra No.	Area Big. Bis.
FATI BYING	2051/1	0 13
	2055	0 15
	Total ..	1 8

Sd/-

Superintending Engineer,  
2nd Circle, H.P.P.W.D., Simla-3.

**भाग 3—अधिनियम, विधेयक और विधेयकों पर प्रवर समिति के प्रतिवेदन, वैधानिक नियम तथा हिमाचल प्रदेश के राज्यपाल, हिमाचल प्रदेश हाई कोर्ट, फाइनेन्शल कमिशनर तथा कमिशनर आफ़ इन्कम-टैक्स द्वारा अधिसूचित आदेश इत्यादि**

**PUBLIC WORKS DEPARTMENT**

**NOTIFICATION**

Simla-2, the 16th February, 1971

No. 1-37/69-PWD.—The Governor, Himachal Pradesh in consultation with the Union Public Service Commission vide their letter No. F. 3/24-A(2)/70-RR., dated 8-9-1970 is pleased to frame the Recruitment and Promotion Rules in respect of the post of Senior Architect, Himachal Pradesh Public Works Department as given in the attached Annexure 'A'.

This will take effect from the issue of this notification.

**ANNEXURE 'A'**

**Recruitment and Promotion Rules for the posts of Senior Architect in the Public Works Department, Government of Himachal Pradesh**

1. Name of post.—Senior Architect.
2. No. of posts.—One.
3. Classification.—General Central Service Class-I (Gazetted).
4. Scale of pay.—Rs. 1600-50-1800-100-2000.
5. Whether selection post or non-selection post.—Selection.
6. Age for direct recruits.—Not applicable.
7. Educational and other qualifications required for direct recruits.—Not applicable.
8. Whether age and educational qualification prescribed for direct recruits will apply in the case of promotees.—Not applicable.
9. Period of probation if any.—Two years.
10. Method of recruitment whether by direct recruitment or by promotion or by deputation/transfer and percentage of the vacancies to be filled by various methods.—By promotion failing which by transfer on deputation.
11. In case of recruitment by promotion/deputation/transfer grades from which promotion/deputation/transfer to be made.—PROMOTION:

Architects with 7 years service in the grade rendered after appointment thereto on a regular basis.

**NOTE:**

Deputationists will not be eligible for promotion.

**TRANSFER ON DEPUTATION:**

Officer with at least five (5) years service in the grade of Architect in the scale of Rs. 700-1250 or equivalent from the Central/State Governments.

(Period of deputation ordinarily not exceeding three years).

12. If a Departmental Promotion Committee exist, what is its composition.—Class-I Departmental Promotion Committee.

13. Circumstances in which Union Public Service Commission is to be consulted in making of recruitment.—As required under the Union Public Service Commission (Exemption from Consultation) Regulations, 1958.

U. N. SHARMA,  
Secretary.

**TRANSPORT DEPARTMENT**

**NOTIFICATION**

Simla-2, the 20th February, 1971

No. 5-22/69-CS&T(Tpt.)(ii).—The draft of the following amendments in the Punjab Motor Vehicles Rules, 1940, as in force in the areas merged with Himachal Pradesh under section 5 of the Punjab Re-organisation Act, 1966, which the Governor of Himachal Pradesh, in exercise of the powers conferred by sections 21-J and 67 of the Motor Vehicles Act, 1939, proposes to make, is hereby published in the Himachal Pradesh Rajpatra, for the information of all concerned, as required under section 133(1) of the said act.

2. Any person who has any objections/suggestions to make may send the same to the undersigned within a period of one month from the date of publication of this notification in the Himachal Pradesh Rajpatra, which objections and suggestions shall duly be taken into consideration by the competent authority before the rules are finalized.

## DRAFT AMENDMENTS

In the said rules:

I. In rule 4.43, for clause (xxi), the following clause shall be substituted, namely:-

"(xxi) shall collect the fares from and issue tickets to the passengers before they are allowed to enter the bus;"

II. In rule 4.45,

(1) for clause (viii) the following clauses shall be substituted, namely:-

"(viii) neglects or avoids to pay the legal fare and obtain a ticket for journey in the vehicle from the conductor or any other person authorised to issue tickets before the vehicle departs on its legitimate journey from the boarding point;

(Note.—This clause shall not apply to pass holders and persons permitted by the permit holder to travel in a vehicle).

(viii) (a) refuses to surrender, if required by the driver or the conductor or any other authorised person, the ticket at end of the journey for the purposes of investigation or evidence;

(b) refuses to declare, if so required by the driver or the conductor, the journey he intends to take or has taken in the vehicle and to pay the legal fare for the whole of this journey and to accept a ticket provided therefor;

(c) uses or attempts to use a ticket for any journey other than for which it has been issued or for any vehicle other than for which it has been issued, or a ticket which has already been used by another passenger, or on another journey;

(Explanation for the purpose of clauses (viii)(a) to (c) 'ticket' includes a pass or authorisation issued by the permit holder);

(d) travels beyond the destination to which fare he has paid, does not entitle him to travel without informing and paying the legal fare for the journey beyond such destination."

II(ii) After clause (xxviii) the following new clauses shall be added namely:-

"(xxix) mounts the driver's platform, or talk or interfere with, or otherwise distract the attention of the driver of a stage carriage while such driver is on duty;

(xxx) place his foot, upon any seat of a carriage;

(xxxx) has dress or clothing which is likely to soil or damage the seats or the dress or clothing of another passenger or which for any other reason is offensive to other passengers;

(xxxxii) carries any animal, bird, flesh or fish (other than tinned food in its original packings), any instrument, substance or any other article which annoys, or inconvenience or is offensive to any passenger, or is likely to do so;

(xxxxiii) rings, without lawful excuse, any bell or interfere with any signal of a vehicle."

III. After rule 4.45 the following new rules shall be inserted, namely:-

"4.45 (a) No person not being an employee of the permit holder except a bona fide passenger or intending passenger, shall board a stage carriage.

4.45 (b) A copy of the rules, 4.45 and 4.45 (a) shall be conspicuously displayed in every stage carriage in English and in such other language as the Regional Transport Authority/State Transport Authority, may direct."

By order,  
B. C. NEGI,  
Secretary.

## भाग 4—स्थानीय स्वायत शासन: म्युनिसिपल बोर्ड, डिस्ट्रिक्ट बोर्ड, नोटिफाइड और टाउन एरिया तथा पंचायत विभाग

मूँग

## भाग 5—वैयक्तिक अधिसूचनाएं और विज्ञापन

### HIMACHAL PRADESH FINANCIAL CORPORATION THE MALL, SIMLA NOTIFICATION

*Simla, the 26th February, 1971*

No. HPFC/4-3/67-71.—In pursuance of Regulations 24 and 37 of the Himachal Pradesh Financial Corporation General Regulations, it is hereby notified that a special general meeting of the share-holders of Himachal Pradesh Financial Corporation will be held at the Head Office of the Corporation, Kishore Bhawan, the Mall, Simla on Saturday the 17th April, 1971 at 3.00 P.M. (Standard time) to transact the following business:-

To elect one Director to represent Insurance Companies, Investment Trusts and other Financial Institutions in terms of Clause (d) of section 10 of the State Financial Corporations Act, 1951, as follows:-

One Director to be elected in pursuance of subsection (2) of section 14 of the State Financial Corporations Act, 1951, by the Insurance

Companies, Investment Trusts and other Financial Institutions excluding Scheduled Banks and Co-operative Banks, who are share-holders of the Corporation, in place of Shri R. B. Shah.

It is further notified that the Share Register of the Corporation will remain closed and the registration of transfers suspended from 17th March, 1971 to 17th April, 1971 (both days inclusive).

### NOTES

1. The lists of the Share-holders shall be available for purchase at the Head Office of the Corporation at a price of Re. 1 (Rupee one) only per copy from the 24th March, 1971.
2. The last date for the receipt of Nominations for the election as Director shall be 2nd April, 1971.
3. The last date for the deposit of proxies shall be the 10th April, 1971.
4. The last date for the deposit of certified copies of the resolutions appointing duly authorised representatives by Companies shall be 13th April, 1971.

For Himachal Pradesh Financial Corporation,  
GOBIND SAHAI,  
Managing Director.

व अदालत श्री नेत्र मिह शांडिल, एम० ए० एल-एल० वी०  
सीनियर सब-जज महासू, मुकाम क्लैसटन शिमला - १,  
सुकदमा नं० 14/2 वात्रत साल 1970

Application under section 8(2) of the Hindu Minority and Guardianship Act praying that the petitioner be permitted to mortgage the share of the property of her minor son Rajinder Singh aged 14 years for the benefit of the minor.

श्रीमती गोरी देवी बेवा गटु, वासी वाडा, परगना शलेवट,  
सब-तहसील कोटखाई  
सायला।

वनाम

आम जनता :

हरगाह जोकि श्रीमती गोरी देवी बेवा गटु, वासी वाडा,

मुदाला

परगना शलेवट, सब-तहसील कोटखाई, ज़िला महासू ने दरवास्त जेर दफा 8 (2) of the Hindu Minority and Guardianship Act वावत जायदाद श्री रजिन्दर मिह उमर 14 माल नावालिंग, गेर मनकूला Himachal Mortgage Bank Ltd., Simla के पास गिरवी मु० 10,000 रुपये रखने की आज्ञा दी जावे। अतः इस घोषणा पत्र द्वारा सर्व जनता को सूचित किया जाता है कि यदि किमी को दरवास्त की मन्जूरी वारे कोई उच्चर हो तो वह अदालत हज़ा में उपस्थित हो कर मिति 11-3-1971 को अपना उच्चर पेश करें वरना दरवास्त के मुतलक कानूनत फैसला किया जावेगा।

आज मिति 25-2-1971 को मेरे दस्तखत व मोहर अदालत में जारी किया गया।

नेत्र मिह शांडिल,  
सीनियर सब-जज।

## LAW DEPARTMENT NOTIFICATION

Simla-2, the 24th February, 1971

No. 12-11/71-LR.—The Government of India, Ministry of Home Affairs notification No. G.S.R. 43, dated the 6th January, 1971 which has already been published in the Gazette of India, is hereby republished in the Himachal Pradesh Rajpatra for general information.

JOSEPH DINA NATH.  
Under Secretary (Judicial).

## MINISTRY OF HOME AFFAIRS NOTIFICATION

New Delhi, the 6th January, 1971

G.S.R. 43.—In exercise of the powers conferred by clause (b) of section 2 of the State of Himachal Pradesh Act, 1970 (53 of 1970), the Central Government hereby appoints the 25th day of January, 1971, as the appointed

भाग 6—भारतीय राजपत्र इत्यादि में से पुनः प्रकाशन

day for the purposes of that Act.

[No. 10/49/70-SR.]

M. G. PIMPUTKAR,  
Special Secretary.

गृह मंत्रालय

अधिसूचना

नई दिल्ली, 6 जनवरी, 1971

सा० का० नि० 43:—हिमाचल प्रदेश राज्य अधिनियम, 1971 (1970 का 53) की धारा 2 के खण्ड (ख) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए, केन्द्रीय संगकार एवं द्वारा उस अधिनियम के प्रयोजनों के लिए जनवरी, 1971 के 25वें दिन को नियत दिन के रूप में नियन करती है।

[सं 10/49/70-एस० शार०]

मौ० ग० पिम्पुटकर,  
विशेष सचिव।

## भाग 7—भारतीय निर्वाचन आयोग (Election Commission of India) की वैधानिक अधिसूचनाएं तथा अन्य निर्वाचन सम्बन्धी अधिसूचनाएं

शून्य

अनुपूरक

शून्य

**PART VI****LAW DEPARTMENT  
NOTIFICATIONS***Simla-4, the 9th April, 1963*

No. 1-18-62-LR. The following Acts passed by the Parliament of India and published in the Gazette of India, Extraordinary Part-II, Section I, dated the 12th, and 23rd March, 1963 respectively are hereby republished in the Himachal Pradesh Administration Rajpatha for the information of general public.

1. The Delhi Rent Control (Amendment) Act, 1963 (No. 4 of 1963).
2. The Central Sales Tax (Amendment) Act, 1963 (No. 8 of 1963).

S. R. MAHANTAN,  
*Under Secretary (Judicial)*.

*Assented to on 8-3-1963.***THE DELHI RENT CONTROL (AMENDMENT)  
ACT, 1963  
ACT NO. 4 OF 1963**

**AN  
ACT**

*to amend the Delhi Rent Control Act, 1958*

Be it enacted by Parliament in the Fourteenth Year of the Republic of India as follows:—

1. *Short title.*—This Act may be called the Delhi Rent Control (Amendment) Act, 1963.

2. *Amendment of section 3.*—To section 3 of the Delhi Rent Control Act, 1958, (59 of 1958) the following proviso shall be added and shall be deemed always to have been added, namely:

"Provided that where any premises belonging to Government have been or are lawfully let by any person by virtue of an agreement with the Government or otherwise, then, notwithstanding any judgment, decree or order of any court or other authority, the provisions of this Act shall apply to such tenancy."

*Assented to on 23-3-1963.***THE CENTRAL SALES TAX (AMENDMENT) ACT,  
1963**

**ACT NO. 8 OF 1963**  
**AN  
ACT**

*further to amend the Central Sales Tax Act, 1956:*

Be it enacted by Parliament in the Fourteenth Year of the Republic of India as follows:—

1. *Short title and commencement.*—(1) This Act may be called the Central Sales Tax (Amendment) Act, 1963.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette appoint.

2. *Amendment of section 8.*—In section 8 of the Central Sales Tax Act, 1956,

- (i) in sub-section (1) and in sub-section (2A), for the words "one per cent.", the words "two per cent." shall be substituted;
- (ii) in sub-section (2), for the words "seven per cent", the words "ten per cent.", shall be substituted;
- (iii) in sub-section (3),
  - (a) clause (a) shall be omitted;
  - (b) in clause (b), the words "in the case of goods other than declared goods" shall be omitted; and

(c) in clause (d), the words, brackets and letter "clause (a) or" shall be omitted.

*Simla-4, the 15th May, 1963*

No. 1-18-62-LR.—The following Acts passed by the Parliament of India and published in the Gazette of India, Extraordinary Part II, Section I, dated the 25th March and the 19th April, 1963 respectively are hereby republished in the Himachal Pradesh Administration Rajpatha for the information of general public.

1. The Agricultural Refinance Corporation Act, 1963 (No. 10 of 1963).
2. The Marine Insurance Act, 1963 (No. 11 of 1963).

S. R. MAHANTAN,  
*Under Secretary (Judicial)*.

*Assented to on 24-3-1963.***THE AGRICULTURAL REFINANCE CORPORATION ACT, 1963  
ACT NO. 10 OF 1963**

**AN  
ACT**

*to provide for the establishment of a Corporation for granting medium and long term credit by way of refinance or otherwise, for the development of agriculture and for other matters connected therewith or incidental thereto.*

Be it enacted by Parliament in the Fourteenth Year of the Republic of India as follows:—

**CHAPTER I****PRELIMINARY**

1. *Short title, extent and commencement.*—(1) This Act may be called the Agricultural Refinance Corporation Act, 1963.

(2) It extends to the whole of India.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. *Definitions.*—In this Act, unless the context otherwise requires,—

- (a) "agriculture" includes animal husbandry, dairy farming, pisciculture and poultry farming;
- (b) "Board" means the Board of directors of the Corporation;
- (c) "central land mortgage bank" means the principal land mortgage bank in a State which is registered, or deemed to be registered, under the Co-operative Societies Act, 1912 (2 of 1912), or any other law for the time being in force in any State relating to co-operative societies and the primary object of which is the providing of long term finance for agricultural development:

Provided that in addition to such principal land mortgage bank in a State or where there is no such bank in a State, the State Government may, with the previous approval of the Reserve Bank, declare any one or more land mortgage banks registered or deemed to be registered as aforesaid and carrying on the business of providing long term finances for agricultural development in that State to be a central land mortgage bank or banks within the meaning of this definition;

(d) "co-operative society" means a society registered, or deemed to be registered, under the Co-operative Societies Act, 1912 (2 of 1912) or any other law for

- the time being in force in any State relating to co-operative societies;
- (e) "Corporation" means the Agricultural Refinance Corporation established under this Act;
- (f) "eligible institution" means—
- (i) a central land mortgage bank or a State co-operative bank or a scheduled bank, being in each case a shareholder of the Corporation;
  - (ii) a co-operative society (other than a central land mortgage bank or a State co-operative bank) approved by the Reserve Bank in this behalf;
  - (g) "Life Insurance Corporation" means the Life Insurance Corporation of India established under section 3 of the Life Insurance Act, 1956 (31 of 1956);
  - (h) "prescribed" means prescribed by regulations made under this Act;
  - (i) "Reserve Bank" means the Reserve Bank of India constituted under the Reserve Bank of India Act, 1934 (2 of 1934);
  - (j) "scheduled bank" means a bank for the time being included in the Second Schedule to the Reserve Bank of India Act, 1934; and
  - (k) "State co-operative bank" has the same meaning as in the Reserve Bank of India Act, 1934.

## CHAPTER II

### ESTABLISHMENT AND CAPITAL OF THE AGRICULTURAL REFINANCE CORPORATION

**3. Establishment and incorporation of Agricultural Refinance Corporation.**—(1) With effect from such date as the Central Government may, by notification in the Official Gazette, appoint, there shall be established for the purpose of this Act a Corporation to be known as the Agricultural Refinance Corporation.

(2) The Corporation shall be a body corporate with the name aforesaid, having perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire, hold and dispose of property, and to contract, and may by that name sue and be sued.

**4. Offices and agencies.**—The Corporation shall establish its head office in Bombay and may, with the previous approval of the Reserve Bank, establish offices or agencies in other places in India.

**5. Share capital and shareholders.**—(1) The authorised capital of the Corporation shall be twenty-five crores of rupees divided into twenty-five thousand fully paid-up shares of ten thousand rupees each of which five thousand shares of the total value of five crores of rupees shall be issued in the first instance, and the remaining shares may, with the sanction of the Central Government, be issued from time to time by the Corporation as and when the Corporation may deem fit.

(2) Of the capital issued in the first instance and before such date as may be notified by the Central Government in the Official Gazette in this behalf—

- (a) the Reserve Bank shall subscribe for two thousand five hundred shares;
- (b) central land mortgage banks and State co-operative banks may subscribe for one thousand five hundred shares;
- (c) scheduled banks, the Life Insurance Corporation, insurance and investment companies and such other classes of financial institutions as may be notified by the Central Government in the Official Gazette in this behalf may subscribe for one thousand shares.

(3) The allotment of shares to the institutions mentioned in clauses (b) and (c) of sub-section (2) shall be made

by the Board in accordance with the regulations made in this behalf:

Provided that no such institution shall be allotted more than ten per cent of the shares reserved for the class of institutions to which it belongs.

(4) If any shares referred to in clauses (b) and (c) of sub-section (2) remain unallotted, they shall be subscribed for by the Reserve Bank:

Provided that the Reserve Bank may dispose of the shares subscribed for by it in pursuance of this sub-section, to any institution mentioned in clauses (b) and (c) of sub-section (2), so however that—

(i) the institutions referred to in the said clause (b) shall not together hold more than one thousand five hundred shares and the institutions referred to in the said clause (c) shall not together hold more than one thousand shares, and

(ii) no institution shall hold more than ten per cent of the shares reserved for the class of institutions to which it belongs.

(5) If and when the remaining shares or any part thereof are issued, the Reserve Bank shall, and the institutions referred to in clauses (b) and (c) of sub-section (2) may, subscribe for such shares in the same proportion as for the first issue and the provisions of sub-sections (3) and (4), except clause (ii) of the proviso to sub-section (4), shall also apply to such shares.

(6) Shares of the Corporation shall not be transferable except—

- (a) to the institutions specified in clauses (a), (b) and (c) of sub-section (2), and
- (b) in accordance with the regulations made in this behalf.

**6. Guarantee by Central Government.** Shares of the Corporation shall be guaranteed by the Central Government as to the repayment of the principal and the payment of a minimum annual dividend at such rate as may be fixed by the Central Government by notification in the Official Gazette at the time of issuing the shares.

**7. Shares of Corporation to be deemed to be securities for certain purposes.**—Notwithstanding anything contained in the Acts hereinafter mentioned in this section, the shares of the Corporation shall be deemed to be included among the securities enumerated in section 20 of the Indian Trusts Act, 1882 (2 of 1882) and be also deemed to be approved securities for the purposes of the Insurance Act, 1938 (4 of 1938) and the Banking Companies Act, 1949 (10 of 1949).

**8. Register of shareholders.** (1) The Corporation shall maintain at its head office a register of the shareholders and shall enter therein the following particulars so far as they may be available, namely:—

- (i) the names and addresses of the shareholders and a statement of the shares held by each shareholder, distinguishing each share by its denoting number;
- (ii) the date on which each person is entered as a shareholder;
- (iii) the date on which any person ceases to be a shareholder; and
- (iv) such other particulars as may be prescribed.

(2) Notwithstanding anything contained in this Act or in any other law for the time being in force, no notice of any trust, express, implied or constructive, shall be entered on the register maintained under sub-section (1) or be receivable by the Corporation

### CHAPTER III

#### MANAGEMENT OF THE CORPORATION

**9. Management.**—(1) The general superintendence, direction and management of the affairs and business of the Corporation shall vest in a Board of directors which may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation.

(2) The Board, in discharging its functions, shall act on business principles with due regard to public interest.

**10. Board of directors.**—The Board of directors consist of the following, namely:—

- (a) a Deputy Governor of the Reserve Bank nominated by that Bank, who shall be the Chairman of the Board;
- (b) a director nominated by the Reserve Bank;
- (c) three officers of the Central Government nominated by that Government;
- (d) one director elected in the prescribed manner by such of the central land mortgage banks as are shareholders of the Corporation;
- (e) one director elected in the prescribed manner by such of the State Co-operative banks as are shareholders of the Corporation;
- (f) one director elected in the prescribed manner by the Life Insurance Corporation, scheduled banks, insurance and investment companies and other financial institutions, which are shareholders of the Corporation; and
- (g) a managing director to be appointed by the Reserve Bank and, except in the case of the first appointment, after consultation with the Board:

Provided that on the first constitution of the Board, the directors referred to in clauses (d), (e) and (f) shall be nominated by the Central Government and the directors so nominated shall, for the purposes of this Act, be deemed to be elected directors:

Provided further that the directors so nominated shall hold office until the conclusion of the first annual general meeting of the Corporation.

**11. Term of office and retirement of directors and payment of fees to them.**—(1) A nominated director shall hold office during the pleasure of the authority nominating him.

(2) An elected director, other than a director deemed to be elected under the first proviso to section 10, shall hold office for four years:

Provided that an elected director shall continue in office until his successor has been elected and shall also be eligible for re-election but shall not hold office for more than two consecutive terms.

(3) A casual vacancy in the office of an elected director shall be filled by election and a director so elected shall hold office for the unexpired portion of the term of his predecessor:

Provided that no casual vacancy occurring within three months of the date of expiry of the normal term of office of an elected director need be filled under this sub-section.

(4) Directors shall be paid such fees and allowances as may be prescribed for attending the meetings of the Board or of any of its committees and for attending to any work of the Corporation:

Provided that no fees shall be payable to the Chairman, managing director or to any other director who is an officer of the Government or of the Reserve Bank.

**12. Disqualifications.** No person shall be a director who

- (a) except in the case of the managing director, is a salaried official of the Corporation; or

- (b) is, or at any time has been, adjudicated insolvent or has suspended payment of his debts or has compounded with his creditors; or
- (c) is of unsound mind and stands so declared by a competent court; or
- (d) is or has been convicted of any offence which, in the opinion of the Central Government, involves moral turpitude.

#### 13. Vacation and resignation of office by directors.—

(1) If a director—

- (a) becomes subject to any of the disqualifications mentioned in section 12; or
- (b) is absent without leave of the Board from more than three consecutive meetings thereof, his seat shall thereupon become vacant.

(2) Any director elected under clause (d), or clause (e) or clause (f) of section 10 may resign his office by giving notice thereof in writing to the Board and, on such resignation being accepted, shall be deemed to have vacated his office.

#### 14. Managing director.—(1) The managing director shall—

- (a) be a whole-time officer of the Corporation;
- (b) perform such duties as the Board may entrust or delegate to him;
- (c) hold office for such term not exceeding five years as the Reserve Bank, may at the time of appointment specify and be eligible for re-appointment; and
- (d) receive such salary and allowances and be governed by such terms and conditions of service as the Board, with the previous approval of the Reserve Bank, may determine:

Provided that the first managing director shall receive such salary and allowances and be governed by such terms and conditions of service as the Reserve Bank may determine.

(2) The Reserve Bank may at any time, after consultation with the Board, remove the managing director from office.

**15. Casual vacancies in the office of managing director.**—If the managing director is by infirmity or otherwise rendered incapable of carrying out his duties or is absent on leave or otherwise, in circumstances not involving the vacation of his appointment, the Reserve Bank may, after consultation with the Board, appoint another person to act in his place during his absence.

**16. Meetings of Board.**—(1) The Board shall meet at such times and places and shall observe such rules of procedure in regard to the transaction of business at its meetings as may be prescribed.

(2) The Chairman, or, if for any reason he is unable to attend any meeting, any other director elected by the directors present at the meeting shall preside at the meeting of the Board.

(3) All questions which come up before any meeting of the Board shall be decided by a majority of votes of the members present, and voting, and, in the event of an equality of votes, the Chairman or, in his absence, the person presiding, shall have a second or casting vote.

**17. Committees of Corporation.**—(1) The Board may constitute an Executive Committee consisting of such number of directors as may be prescribed.

(2) The Executive Committee shall discharge such functions as may be prescribed or may be delegated to it by the Board.

(3) The Board may constitute such other committees, whether consisting wholly of directors or wholly

of other persons or partly of directors and partly of other persons as it thinks fit and for such purposes as it may decide.

(4) A committee constituted under this section shall meet at such times and places and shall observe such rules and procedure in regard to the transaction of business of its meetings as may be prescribed.

(5) The members of a committee (other than the directors of the Board), shall be paid by the Corporation such fees and allowances as may be prescribed for attending its meetings and for attending to any other work of the Corporation.

**18.—Member of Board for Committee thereof not to vote in certain cases.**—A director of the Board or a member of a committee who has any direct or indirect or indirect pecuniary interest in any matter coming up for consideration at a meeting of the Board or a committee thereof, shall, as soon as possible after relevant circumstances have come to his knowledge, disclose the nature of his interest at such meeting and the disclosure shall be recorded in the minutes of the Board or the committee, as the case may be, and the director or member shall not take any part in any deliberation or decision of the Board or the committee with respect to that matter.

## CHAPTER IV

### FUNDS AND BUSINESS OF THE CORPORATION

**19. Central Government to make a loan of five crores of rupees.**—The Central Government shall, after due appropriation made by Parliament by law in this behalf, make to the Corporation an interest-free loan of five crores of rupees, repayable in fifteen equal annual instalments commencing on the expiry of a period of fifteen years from the date of receipt of the loan:

Provided that the Central Government may, on a request being made to it by the Corporation, increase the number of instalments or alter the amount of any instalment or vary the date on which any instalment is payable.

**20. Borrowings by Corporation.**—(1) The Corporation may, for the purpose of carrying out its functions under this Act, with the previous approval of the Central Government—

(a) issue and sell bonds and debentures carrying interest, which bonds and debentures shall be guaranteed by the Central Government as to the repayment of principal and payment of interest at such rates as may be fixed by the Central Government at the time the bonds or debentures are issued;

(b) borrow money from the Reserve Bank repayable on the expiry of fixed periods not exceeding eighteen months from the date of the making of the loan or advance, against the security of stocks, funds and securities (other than immovable property) in which a trustee is authorised to invest trust money by any law for the time being in force in India;

(c) borrow money from the Central Government and from any other authority or organisation or institution approved by that Government, on such terms and conditions as may be agreed upon; and

(d) accept from the Central Government, a State Government, a local authority, a central land mortgage bank, a State co-operative bank, a scheduled bank or any person, deposits repayable after the expiry of a period which shall not be less than twelve months from the date of

the making of the deposit and on such other terms as the Corporation may, with the prior approval of the Reserve Bank, fix.

(2) The amount of loan granted by the Central Government under section 19 and outstanding, together with the amount of bonds and debentures issued under clause (a) of sub-section (1) and outstanding, the amounts borrowed by the Corporation and outstanding under clauses (b) and (c) of that sub-section and the amount of deposits accepted under clause (d) of that sub-section, shall not at any time in the aggregate exceed twenty times the amount of the paid-up share capital and the reserve fund of the Corporation.

**21. Loans in foreign currency.**—(1) Notwithstanding anything contained in the Foreign Exchange Regulation Act, 1947 (7 of 1947) or in any other law for the time being in force relating to foreign exchange, the Corporation may, for the purpose of granting loans and advances to eligible institutions, borrow, with the previous consent of the Central Government, foreign currency from any bank or financial institution in India or elsewhere.

(2) The Central Government may guarantee loans taken by the Corporation under sub-section (1) as to the repayment of principal and the payment of interest thereon and other incidental charges.

(3) All loans and advances made to eligible institutions out of foreign currency borrowed under sub-section (1) shall be granted in Indian currency and shall be repayable by such institutions in Indian currency.

(4) Any loss occurring or profit accruing in connection with any borrowing of foreign currency under sub-section (1) for the purpose of granting loans or advances to any eligible institution or its repayment, on account of any fluctuations in the rates of exchange shall be reimbursed by, or paid to, the eligible institution.

**22. Business which the Corporation may transact.**—(1) The Corporation may provide such financial assistance to eligible institutions as it considers necessary for promoting the development of agriculture in India and shall not—

(a) transact any business except for that purpose, and

(b) grant, except as hereinafter provided, loans and advances otherwise than by way of refinance.

(2) No institution other than an eligible institution shall be entitled to assistance under sub-section (1).

(3) Subject to the provisions of sub-sections (1) and (2), the Corporation may transact the several kinds of business hereinafter specified, namely:—

(a) the granting of loans and advances by way of refinance to an eligible institution mentioned in sub-clause (i) of clause (f) of section 2, repayable within a period not exceeding twenty-five years from the dates on which they are granted;

(b) the granting of loans and advances otherwise than by way of refinance to an eligible institution mentioned in sub-clause (ii) of clause (f) of section 2 repayable within a period not exceeding twenty-five years from the dates on which they are granted;

(c) the subscribing to the debentures of any eligible institution repayable within a period not exceeding twenty-five years from the dates on which they are issued:

Provided that repayment of principal and payment of interest thereon are fully and unconditionally guaranteed by Government;

(d) the guaranteeing, with the prior approval of the Central Government and on such terms and

- conditions as may be agreed upon, of deferred payments in connection with the purchase of capital goods from outside India.
- due from an eligible institution mentioned in sub-clause (ii) of clause (f) of section 2; or
  - due from any other person and guaranteed to the Corporation by one of the eligible institutions mentioned in sub-clause (i) of clause (f) of section 2;
  - acting as agent for the Central Government or a State Government in the transaction of any business with an eligible institution in respect of loans and advances granted or to be granted or debentures subscribed for or to be subscribed for, by such Government; and
  - generally, the doing of all such matters and things as may be incidental to or consequential upon the discharge of its functions under this Act.
- (4) No accommodation shall be granted under clauses (a), (b) and (d) of sub-section (3) to an eligible institution unless it is fully and unconditionally guaranteed as to the repayment of principal and payment of interest by Government:

Provided that no such guarantee shall be required in cases in which an eligible institution makes available other security to the satisfaction of the Board:

Provided further that any sums received by a scheduled bank in repayment or realisation of loans and advances refinanced either wholly or partly by the Corporation shall, to the extent of the accommodation granted by the Corporation remaining outstanding, be deemed to have been received by the scheduled bank in trust for the Corporation, and shall accordingly be paid by such scheduled bank to the Corporation.

(5) The Corporation shall not grant any loan or advance on the security of its own shares, bonds or debentures or for the purpose of providing working capital.

(6) The Corporation may receive, for the rendering of any of the services mentioned in sub-section (3), such commission or other consideration as may be agreed upon.

(7) If any question arises whether a transaction undertaken by the Corporation is for the purpose of providing finance or refinancing for the development of agriculture in India, the matter shall be referred to the Reserve Bank and the decision of the Reserve Bank thereupon shall be final.

**23. Limit of accommodation.**—The Corporation shall not, without the prior approval in writing of the Reserve Bank, enter into any transaction under clause (a) or clause (b) or clause (c) of sub-section (3) of section 22 involving an amount exceeding fifty lakhs of rupees.

**24. Power to impose conditions for accommodation.**—In entering into any transaction under section 22 with an eligible institution, the Corporation may impose such conditions as it may think necessary or expedient for protecting the interests of the Corporation.

**25. Power to call for repayment before agreed period.**—Notwithstanding anything to the contrary contained in any agreement, the Corporation may, by notice in writing, require any eligible institution to which it has granted any loan or advance to discharge forthwith in full its liabilities to the Corporation:—

- if it appears to the Board that false or misleading information in any material particular was given in the application for the loan or advance; or

- if the eligible institution has failed to comply with any of the terms of its contract with the Corporation in the matter of the loan or advance; or
- if there is a reasonable apprehension that the eligible institution is unable to pay its debts or that proceedings for liquidation may be commenced in respect thereof; or
- if for any reason it is necessary to do so to protect the interests of the Corporation.

**26. Deposit accounts and investments.**—All moneys belonging to the Corporation which may not for the time being be required by it shall be invested in promissory notes, stock or securities of the Central Government and all other moneys shall be deposited with the Reserve Bank or with any agency of the Reserve Bank or, in consultation with the Reserve Bank, with a State co-operative bank or a scheduled bank.

## CHAPTER V

### ACCOUNTS AND AUDIT

**27. Preparation of balance-sheet etc. of Corporation.**—

(1) The balance-sheet and accounts of the Corporation shall be prepared and maintained in such form and manner as may be prescribed.

(2) The Board shall cause the books and accounts of the Corporation to be balanced and closed as on the thirtieth day of June, each year.

**28. Disposal of profits.**—(1) The Corporation shall establish a reserve fund by transferring such sums as it may deem fit out of its net annual profits before declaring a dividend.

(2) After making provision for bad and doubtful debts, depreciation of assets and all other matters which are usually provided for by bankers, the Corporation may out of its net annual profits declare a dividend:

Provided that for so long as the reserve fund is less than the paid-up share capital of the Corporation and until there have been repaid to the Central Government such sums, if any, as that Government may have paid under the guarantee given in pursuance of section 6 or under any guarantee given in pursuance of sub-section (1) of section 20 or sub-section (2) of section 21, the rate of such dividend shall not exceed the rate guaranteed by the Central Government under section 6.

**29. Special deposit.**—(1) For a period of fifteen accounting years following the accounting year during which the Corporation is established, all dividends accruing on the shares of the Corporation held by the Reserve Bank shall, instead of being paid to that Bank, be held by the Corporation as a special deposit in a separate account and no interest shall be payable on such deposit.

(2) On the expiry of the period referred to in sub-section (1), the Corporation shall, if so required by the Reserve Bank, pay to it the said special deposit and in case the Reserve Bank does not require the same to be paid to it, continue the said special deposit on such terms as on such conditions, including payment of interest, and for such period as may be mutually agreed upon between the Corporation and the Reserve Bank.

(3) No shareholder of the Corporation other than the Reserve Bank shall have any claim to the special deposit referred to in sub-section (1).

**30. Audit.**—(1) The affairs of the Corporation shall be audited by an auditor duly qualified to act as auditor under sub-section (1) of section 226 of the Companies Act, 1956 (I of 1956), who shall be appointed by the

Board with the previous approval of the Reserve Bank and shall receive such remuneration from the Corporation as the Board may, with the approval of the Reserve Bank, fix:

Provided that the first auditor shall be appointed by the Reserve Bank within one month from the establishment of the Corporation on such terms and conditions as the Reserve Bank may determine.

(2) The auditor so appointed shall hold office from the conclusion of an annual general meeting of the Corporation until the conclusion of the next annual general meeting:

Provided that the first auditor shall hold office until the conclusion of the first annual general meeting.

(3) The auditor shall be supplied with a copy of the annual balance-sheet of the Corporation and it shall be his duty to examine it together with the accounts and vouchers relating thereto and he shall have a list delivered to him of all books kept by the Corporation and shall at all reasonable times have access to the books, accounts, vouchers and other documents of the Corporation.

(4) The auditor may, in relation to the accounts of the Corporation, examine any director of the Board or any officer or employee of the Corporation, and shall be entitled to require from the officers of the Corporation such information and explanation as he may think necessary for the performance of his duties.

(5) The auditor shall make a report to the Corporation upon the annual balance-sheet and accounts examined by him and in every such report he shall state whether in his opinion the balance-sheet is a full and fair balance-sheet containing all necessary particulars and properly drawn up so as to exhibit a true and fair view of the state of affairs of the Corporation and in case he had called for any explanation or information from the Board, whether it has been given and whether it is satisfactory.

(6) Without prejudice to anything contained in the preceding sub-sections, the Central Government may at any time appoint the comptroller and Auditor General of India to examine and report upon the accounts of the Corporation, and any expenditure incurred by him in connection with such examination and report shall be payable by the Corporation to the Comptroller and Auditor General of India.

**31. General meetings.**—(1) A general meeting shall be held annually (hereinafter referred to as the annual general meeting) at a place in India where there is an office of the Corporation within three months from the date on which the annual accounts of the Corporation are closed, and any other general meeting may be convened by the Board at any other time:

Provided that the Central Government may extend the time within which any annual general meeting shall be held, by a period not exceeding one month.

(2) The shareholders present at the annual general meeting shall be entitled to discuss the annual accounts, the report of the Board on the working of the Corporation throughout the year and the auditor's report on the annual balance-sheet and accounts.

**32. Returns.**—(1) The Corporation shall furnish, from time to time, to the Central Government and to the Reserve Bank such returns as the Central Government or the Reserve Bank may require.

(2) The Corporation shall furnish to the Central Government and the Reserve Bank within fifteen days of the conclusion of the annual general meeting in respect of any year, a copy of its balance-sheet as on the close of that year together with a profit and loss account for the year and a report of the working of the Corporation during

the year, and copies of the said balance-sheet, profit and loss account and report shall be published in the Official Gazette and shall be laid before each House of Parliament.

## CHAPTER VI

### MISCELLANEOUS

**33. Power of Central Government to give directions.**—In the discharge of its functions under this Act, the Corporation shall be guided by such directions in matters of policy involving public interest as the Central Government may after consulting the Reserve Bank give to it in writing, and if any question arises whether the direction relates to a matter of policy involving public interest, the decision of the Central Government thereon shall be final.

**34. Staff of Corporation.**—(1) The Corporation may appoint such number of staff as it considers necessary or desirable for the efficient performance of its functions and determine the terms and conditions of their appointment and service.

(2) Without prejudice to the provisions of sub-section (1), it shall be lawful for the Corporation to utilise, and for the Reserve Bank to make available the services of, such staff of the Reserve Bank on such terms and conditions as may be agreed upon between the Corporation and the Reserve Bank.

**35. Corporation to have access to records.**—(1) The Corporation shall have free access to all such records of an eligible institution or any person availing of a loan or advance from such eligible institution perusal whereof may appear to the Corporation to be necessary in connection with the providing of finance or other assistance to such eligible institution or the refinancing of the loan or advance made to such person by the eligible institution.

(2) The Corporation may require any eligible institution or person referred to in sub-section (1) to furnish to it copies of any of the records referred to in that sub-section and the eligible institution or the person, as the case may be shall be bound to comply with such requisition.

**36. Act 18 of 1891 to apply to books of Corporation.**—The Corporation shall be deemed to be a bank for the purposes of the Bankers' Books Evidence Act, 1891.

**37. Liquidation of Corporation.**—No provision of law relating to the winding up of companies or corporations shall apply to the Corporation, and the Corporation shall not be placed in liquidation save by order of the Central Government and in such manner as it may direct.

**38. Indemnity of directors.**—(1) Every director shall be indemnified by the Corporation against all losses and expenses incurred by him in, or in relation to, the discharge of his duties, except such as are caused by his own wilful act or default.

(2) A director shall not be responsible for any other director or for any officer or other employee of the Corporation or for any loss or expenses resulting to the Corporation from the insufficiency or deficiency of value of, or title to, any property or security acquired or taken on behalf of the Corporation or the insolvency or wrongful act of any debtor or any person under obligation to the Corporation or any thing done in good faith in the execution of the duties of his office in relation thereto.

**39. Defects in appointment not to invalidate acts, etc.**—(1) No act or proceeding of the Board or of any committee of the Corporation shall be questioned on the ground merely of the existence of any vacancy in, or defect in the constitution of, the Board or committee or on the ground of any director or member of any committee

having acted or taken part in any proceeding in contravention of section 18.

(2) No act done by any person acting in good faith as a director of the Board or as a member of a committee of the Corporation shall be deemed to be invalid merely on the ground that he was disqualified to be a director or that there was any other defect in his appointment.

**40. Protection of action taken under the Act.**—No suit or other legal proceeding shall lie against the Corporation or any director any officer of the Corporation or any other person authorised by the Corporation to discharge any functions under this Act for any loss or damage caused or likely to be caused by anything which is in good faith done or intended to be done in pursuance of this Act.

**41. Declaration of fidelity and secrecy.**—Every director, auditor, officer or other employee of the Corporation or an employee of the Reserve Bank, whose services are utilised by the Corporation under sub-section (2) of section 34, shall, before entering upon his duties, make a declaration of fidelity and secrecy in the form set out in the First Schedule to this Act.

**42. Provisions relating to income-tax and super-tax.**—Any sum paid by the Central Government under the guarantee given in pursuance of section 6 or, under any guarantee given in pursuance of sub-section (1) of section 20 or sub-section (2) of section 21 shall not be treated as the income, profits and gains of the Corporation, and any interest paid by the Corporation on debentures or bonds or on foreign currency borrowed under sub-section (1) of section 21 out of such sum shall not be treated for the purpose of income-tax or super-tax as expenditure incurred by it:

Provided that in the case of any shareholder such portion of a dividend as has been paid out of any such sum advanced by the Central Government shall be deemed to be his income from interest on securities declared to be income-tax free within the meaning of clause (i) of section 86 of the Income Tax Act, 1961 (43 of 1961).

**43. Delegation of powers.**—The Board may, by general or special order, delegate to any committee of the Board or to the Chairman or managing director or any other officer of the Corporation, subject to such conditions and limitations, if any, as may be specified in the order, such of its powers and duties under this Act as it may deem necessary.

**44. Penalties.**—(1) Whoever in any return, balance-sheet, or other document or in any information required or furnished by or under or for the purposes of any provision of this Act, wilfully makes a statement which is false in any material particular, knowing it to be false, or wilfully omits to make a material statement, shall be punishable with imprisonment for a term which may extend to three years and shall also be liable to fine.

(2) If any person fails to produce any book, account or other document, or to furnish any statement or information which, under the provisions of this Act, it is his duty to produce or furnish, he shall be punishable with a fine which may extend to two thousand rupees in respect of each offence and in the case of a continuing failure, with an additional fine which may extend to one hundred rupees for every day during which the failure continues after conviction for the first such failure.

**45. Offences by companies.**—(1) Where an offence has been committed by a company, every person who, at the time offence was committed, was in charge of, and was responsible to the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

**Explanation.**—For the purposes of this section—

- (a) "company" means any body corporate and includes a firm or other association of individuals; and
- (b) "director", in relation to a firm, means a partner in the firm.

**46. Powers of Board to make regulations.**—(1) The Board may, with the previous approval of the Reserve Bank, make regulations not inconsistent with this Act to provide for all matters for which provision is necessary or expedient for the purpose of giving effect to the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such regulations may provide for—

- (a) the manner in which and the conditions subject to which the first allotment of shares of the Corporation shall be made;
- (b) the manner in which and the conditions subject to which the shares of the Corporation may be held and transferred, and generally all matters relating to the rights and duties of the shareholders;
- (c) the holding and conduct of elections under this Act, including the final decision on doubts or disputes regarding the validity of elections;
- (d) the manner in which general meetings shall be convened, the procedure to be followed thereat and the manner in which voting rights may be exercised;
- (e) the fees or allowances that may be paid to the directors;
- (f) the times and places of the meetings of the Board or of any committee constituted under this Act and the procedure to be followed at such meetings including the quorum necessary for the transaction of business;
- (g) the number of directors constituting the Executive Committee, and the functions that such committee shall discharge;
- (h) the functions which any other committee may discharge under this Act;
- (i) the fees and allowances that may be paid to the members of a committee other than directors;
- (j) the manner and terms of issue and redemption of bonds and debentures by the Corporation;
- (k) the conditions which the Corporation may impose in granting loans and advances;
- (l) the manner and conditions subject to which the Corporation may borrow in foreign currency;
- (m) the form and manner in which the balance-sheet and the accounts of the Corporation shall be prepared or maintained;
- (n) the forms of returns and statements required under this Act;
- (o) the duties and conduct, salaries, allowances and

conditions of service of officers and other employees;  
 (p) the establishment and maintenance of provident or other benefit funds for employees of the Corporation; and  
 (q) generally, the efficient conduct of the affairs of the Corporation.

(3) Any regulation which may be made by the Board under this Act may be made by the Reserve Bank within three months of the establishment of the Corporation; and any regulation so made may be altered or rescinded by the Board in the exercise of its powers under this Act.

(4) No regulations made under this Act shall have effect until they are published in the Official Gazette.

(5) All regulations made under this Act shall be placed before each House of Parliament.

**47. Amendment of certain enactments.**—The enactments specified in the Second Schedule to this Act shall be amended in the manner provided therein.

### THE FIRST SCHEDULE

(See section 41)

#### *Declaration of fidelity and secrecy*

I do hereby declare that I will faithfully, truly and to the best of my skill and ability execute and perform the duties required of me as director, auditor, officer or other employee (as the case may be) of the Agricultural Refinance Corporation and which properly relate to the office or position held by me in the said Corporation.

I further declare that I will not communicate or allow to be communicated to any person not legally entitled thereto any information relating to the affairs of the Agricultural Refinance Corporation or to the affairs of any person having any dealing with the said Corporation, nor will I allow any such person to inspect or have access to any books or documents belonging to or in the possession of the Agricultural Refinance Corporation and relating to the business of the said Corporation or the business of any person having any dealing with the said Corporation.

(Signature).

Signed before me.

### THE SECOND SCHEDULE

(See section 47)

#### *Amendment of certain enactments*

##### PART I

#### AMENDMENTS TO THE RESERVE BANK OF INDIA ACT, 1934

(2 of 1934)

##### *Amendments*

1. In section 2, for clause (a), substitute the following clauses, namely:—

(a) "Agricultural Refinance Corporation" means the Agricultural Refinance Corporation established under section 3 of the Agricultural Refinance Corporation Act, 1963;

(aa) "the Bank" means the Reserve Bank of India constituted by this Act;'

2. In section 17,—

(a) after clause (4D), insert the following clause, namely:—

"(4E) the making to the Agricultural Refinance Corporation of loans and advances repayable on the expiry of fixed periods not exceeding

eighteen months from the date of the making of the loan or advance, against the security of stocks, funds and securities (other than immovable property) in which a trustee is authorised to invest trust money by any law for the time being in force in India;"

(b) in clause (8A), after the words "the capital of", insert the words "the Agricultural Refinance Corporation".

### PART II

#### AMENDMENT TO THE INDUSTRIAL DISPUTES ACT, 1947 (14 of 1947)

In section 2, in sub-clause (i) of clause (a), after the words "to any industrial dispute concerning" insert the words "the Agricultural Refinance Corporation established under section 3 of the Agricultural Refinance Corporation Act, 1963, or".

Assented to on 18-4-1963.

#### THE MARINE INSURANCE ACT, 1963 (ACT NO. 11 OF 1963)

##### AN ACT

*to codify the law relating to marine insurance.*

BE it enacted by Parliament in the Fourteenth Year of the Republic of India as follows:—

**1. Short title and commencement.** (1) This Act may be called the Marine Insurance Act, 1963.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

**2. Definitions.**—In this Act, unless the context otherwise requires,—

(a) "contract of marine insurance" means a contract of marine insurance as defined by section 3;

(b) "freight" includes the profit derivable by a ship-owner from the employment of his ship to carry his own goods or other movables, as well as freight payable by a third party, but does not include passage money;

(c) "insurable property" means any ship, goods or other movables which are exposed to maritime perils;

(d) "marine adventure" includes any adventure where—

(i) any insurable property is exposed to maritime perils;

(ii) the earnings or acquisition of any freight, passage money, commission, profit or other pecuniary benefit, or the security for any advances, loans, or disbursements is endangered by the exposure of insurable property to maritime perils;

(iii) any liability to a third party may be incurred by the owner of, or other person interested in or responsible for, insurable property by reason of maritime perils;

(e) "maritime perils" means the perils consequent on, or incidental to, the navigation of the sea, that is to say, perils of the seas, fire war perils, pirates, rovers, thieves, capture, seizures, restraints, and detainments of princes and peoples, jettisons, barratry and any other perils which are either of the like kind or may be designated by the policy;

(f) "movables" means any movable tangible property, other than the ship, and includes money, valuable securities and other documents;

- (g) "policy" means a marine policy;
- (h) "ship" includes every description of vessel used in navigation;
- (i) "suit" includes counter-claim and set-off.

#### MARINE INSURANCE

**3. Marine insurance defined.**—A contract of marine insurance is an agreement whereby the insurer undertakes to indemnify the assured, in the manner and to the extent thereby agreed, against marine losses, that is to say, the losses incidental to marine adventure.

**4. Mixed sea and land risks.** (1) A contract of marine insurance may, by its express terms, or by usage of trade, be extended so as to protect the assured against losses on inland waters or on any land risk which may be incidental to any sea voyage.

(2) Where a ship in course of building, or the launch of a ship, or any adventure analogous to a marine adventure, is covered by a policy in the form of a marine policy, the provisions of this Act, in so far as applicable, shall apply thereto, but, except as by this section provided, nothing in this Act shall alter or affect any rule of law applicable to any contract of insurance other than a contract of marine insurance as by this Act defined.

**Explanation.** 'An adventure analogous to a marine adventure' includes an adventure where any ship, goods or other movables are exposed to perils incidental to local or inland transit.

**5. Lawful marine adventure.**—Subject to the provisions of this Act, every lawful marine adventure may be the subject of a contract of marine insurance.

#### INSURABLE INTEREST

**6. Avoidance of wagering contracts.**—(1) Every contract of marine insurance by way of wagering is void.

(2) A contract of marine insurance is deemed to be a wagering contract

- (a) where the assured has not an insurable interest as defined by this Act, and the contract is entered into with no expectation of acquiring such an interest; or
- (b) where the policy is made "interest or no interest", or "without further proof of interest than the policy itself", or "without benefit of salvage to the insurer", or subject to any other like term:

Provided that, where there is no possibility of salvage, a policy may be effected without benefit of salvage to the insurer.

**7. Insurable interest defined.** (1) Subject to the provisions of this Act, every person has an insurable interest who is interested in a marine adventure.

(2) In particular a person is interested in a marine adventure where he stands in any legal or equitable relation to the adventure or to any insurable property at risk therein, in consequence of which he may benefit by the safety or due arrival of insurable property, or may be prejudiced by its loss, or by damage thereto, or by the detention thereof, or may incur liability in respect thereof.

**8. When interest must attach.** (1) The assured must be interested in the subject-matter insured at the time of the loss, though he need not be interested when the insurance is effected:

Provided that, where the subject matter is insured "lost or not lost", the assured may recover although he may not have acquired his interest until after the loss, unless at the time of effecting the contract of insurance the assured was aware of the loss, and the insurer was not.

(2) Where the assured has no interest at the time of the loss, he cannot acquire interest by any act or election after he is aware of the loss.

**9. Defeasible or contingent interest.**—(1) A defeasible interest is insurable, as also is a contingent interest.

(2) In particular, where the buyer of goods has insured them, he has an insurable interest, notwithstanding that he might, at his election, have rejected the goods, or have treated them as at the seller's risk, by reason of the latter's delay in making delivery or otherwise.

**10. Partial interest.**—A partial interest of any nature is insurable.

**11. Reinsurance.**—(1) The insurer under a contract of marine insurance has an insurable interest in his risk, and may reinsure in respect of it.

(2) Unless the policy otherwise provides, the original assured has no right or interest in respect of such re-insurance.

**12. Bottomry.**—The lender of money on bottomry or respondentia has an insurable interest in respect of the loan.

**13. Master's and Seamen's Wages.**—The master or any member of the crew of a ship has an insurable interest in respect of his wages.

**14. Advance freight.**—In the case of advance freight, the person advancing the freight has an insurable interest, in so far as such freight is not repayable in case of loss.

**15. Charges of insurance.**—The assured has an insurable interest in the charges of any insurance which he may effect.

**16. Quantum of interest.**—(1) Where the subject-matter insured is mortgaged, the mortgagor has an insurable interest in the full value thereof, and the mortgagee has an insurable interest in respect of any sum due or to become due under the mortgage.

(2) A mortgagee, consignee, or other person having an interest in the subject-matter insured may insure on behalf and for the benefit of other persons interested as well as for his own benefit.

(3) The owner of insurable property has an insurable interest in respect of the full value thereof, notwithstanding that some third person may have agreed, or be liable to indemnify him in case of loss.

**17. Assignment of interest.**—Where the assured assigns or otherwise parts with his interest in the subject-matter insured, he does not thereby transfer to the assignee his rights under the contract of insurance, unless there be an express or implied agreement with the assignee to that effect.

But the provisions of this section do not affect transmission of interest by operation of law.

#### INSURABLE VALUE

**18. Measure of insurable value.**—Subject to any express provision or valuation in the policy, the insurable value of the subject-matter insured must be ascertained as follows:—

(1) In insurance on ship, the insurable value is the value, at the commencement of the risk, of the ship, including her outfit, provisions, and stores for the officers and crew, money advanced for seamen's wages, and other disbursements (if any) incurred to make the ship fit for the voyage or adventure contemplated by the policy, plus the charges of insurance upon the whole:

The insurable value, in the case of a steamship, includes also the machinery, boilers, and coals and engine

stores if owned by the assured; in the case of a ship driven by power other than steam includes also the machinery and fuels and engine stores, if owned by the assured; and in the case of a ship engaged in a special trade, includes also the ordinary fittings requisite for that trade:

- (2) In insurance on freight, whether paid in advance or otherwise, the insurable value is the gross amount of the freight at the risk of the assured, plus the charges of insurance;
- (3) In insurance on goods or merchandise, the insurable value is the prime cost of the property insured, plus the expenses of and incidental to shipping and the charges of insurance upon the whole;
- (4) In insurance on any other subject matter, the insurable value is the amount at the risk of the assured when the policy attaches, plus the charges of insurance.

#### DISCLOSURE AND REPRESENTATIONS

**19. Insurance is uberrimae fidei.**—A contract of marine insurance is a contract based upon the utmost good faith, and if the utmost good faith be not observed by either party, the contract may be avoided by the other party.

**20. Disclosure by assured.**—(1) Subject to the provisions of this section, the assured must disclose to the insurer, before the contract is concluded, every material circumstance which, is known to the assured, and the assured is deemed to know every circumstance which, in the ordinary course of business, ought to be known to him. If the assured fails to make such disclosure, the insurer may avoid the contract.

(2) Every circumstance is material which would influence the judgment of a prudent insurer in fixing the premium, or determining whether he will take the risk.

(3) In the absence of inquiry the following circumstances need not be disclosed, namely:

- (a) any circumstance which diminishes the risk;
- (b) any circumstance which is known or presumed to be known to the insurer. The insurer is presumed to know matters of common notoriety or knowledge, and matters which an insurer in the ordinary course of his business as such, ought to know;
- (c) any circumstance as to which information is waived by the insurer;
- (d) any circumstance which it is superfluous to disclose by reason of any express or implied warranty.

(4) Whether any particular circumstance, which is not disclosed, be material or not is, in each case, a question of fact.

(5) The term "circumstance" includes any communication made to, or information received by, the assured.

**21. Disclosure by agent effecting insurance.**—Subject to the provisions of the preceding section as to circumstances which need not be disclosed, where an insurance is effected for the assured by an agent, the agent must disclose to the insurer—

- (a) every material circumstance which is known to himself, and an agent to insure is deemed to know every circumstance which in the ordinary course of business ought to be known by, or to have been communicated to, him; and
- (b) every material circumstance which the assured is bound to disclose, unless it comes to his knowledge too late to communicate it to the agent.

**22. Representations pending negotiation of contract.**—(1) Every material representation made by the assured or his agent to the insurer during the negotiations for the contract, and before the contract is concluded, must be true. If it be untrue the insurer may avoid the contract.

(2) A representation is material which would influence the judgment of a prudent insurer in fixing the premium, or determining whether he will take the risk.

(3) A representation may be either as to a matter of fact, or as to a matter of expectation or belief.

(4) A representation as to a matter of fact is true, if it be substantially correct, that is to say, if the difference between what is represented and what is actually correct would not be considered material by a prudent insurer.

(5) A representation as to a matter of expectation or belief is true if it be made in good faith.

(6) A representation may be withdrawn or corrected before the contract is concluded.

(7) Whether a particular representation be material or not, is, in each case, a question of fact.

**23. When contract is deemed to be concluded.**—A contract of marine insurance is deemed to be concluded when the proposal of the assured is accepted by the insurer, whether the policy be then issued or not: and for the purpose of showing when the proposal was accepted, reference may be made to the slip, covering note or other customary memorandum of the contract, although it be unstamped.

#### THE POLICY

**24. Contract must be embodied in policy.**—A contract of marine insurance shall not be admitted in evidence unless it is embodied in a marine policy in accordance with this Act. The policy may be executed and issued either at the time when the contract is concluded, or afterwards.

**25. What policy must specify.**—A marine policy must specify—

- (1) the name of the assured, or of some person who effects the insurance on his behalf;
- (2) the subject-matter insured and the risk insured against;
- (3) the voyage, or period of time, or both, as the case may be, covered by the insurance;
- (4) the sum or sums insured;
- (5) the name or names of the insurer or insurers.

**26. Signature of insurer.**—(1) A marine policy must be signed by or on behalf of the insurer.

(2) Where a policy is subscribed by or on behalf of two or more insurers, each subscription, unless the contrary be expressed, constitutes a distinct contract with the assured.

**27. Voyage and time policies.**—(1) Where the contract is to insure the subject-matter at and from, or from one place to another or others, the policy is called a "voyage policy", and where the contract is to insure the subject-matter for a definite period of time, the policy is called a "time policy". A contract for both voyage and time may be included in the same policy.

(2) A time policy which is made for any time exceeding twelve months is invalid.

**28. Designation and subject-matter.**—(1) The subject-matter insured must be designated in a marine policy with reasonable certainty.

(2) The nature and extent of the interest of the assured in the subject-matter insured need not be specified in the policy.

(3) Where the policy designates the subject-matter insured in general terms, it shall be construed to apply to the interest intended by the assured to be covered.

(4) In the application of this section regard shall be had to any usage regulating the designation of the subject-matter insured.

29. *Valued policy.*—(1) A policy may be either valued or unvalued.

(2) A valued policy is a policy which specifies the agreed value of the subject-matter insured.

(3) Subject to the provisions of this Act, and in the absence of fraud, the value fixed by the policy is, as between the insurer and assured, conclusive of the insurable value of the subject intended to be insured, whether the loss be total or partial.

(4) Unless the policy otherwise provides, the value fixed by the policy is not conclusive for the purpose of determining whether there has been a constructive total loss.

30. *Unvalued policy.*—An unvalued policy is a policy which does not specify the value of the subject-matter insured, but subject to the limit of the sum insured, leaves the insurable value to be subsequently ascertained, in the manner hereinbefore explained.

31. *Floating policy by ship or ships.*—(1) A floating policy is a policy which describes the insurance in general terms, and leaves the name or names of the ship or ships and other particulars to be defined by subsequent declaration.

(2) The subsequent declaration or declarations may be made by endorsement on the policy, or in other customary manner.

(3) Unless the policy otherwise provides, the declarations must be made in the order of dispatch or shipment. They must, in the case of goods, comprise all consignments within the terms of the policy, and the value of the goods or other property must be honestly stated, but an omission or erroneous declaration may be rectified even after loss or arrival, provided the omission or declaration was made in good faith.

(4) Unless the policy otherwise provides, where a declaration of value is not made until after notice of loss or arrival, the policy must be treated as an unvalued policy as regards the subject-matter of that declaration.

32. *Construction of terms in policy.*—(1) A policy may be in the form in the Schedule.

(2) Subject to the provisions of this Act, and unless the context of the policy otherwise requires, the terms and expressions mentioned in the Schedule shall be construed as having the scope and meaning assigned to them in the Schedule.

33. *Premium to be arranged.*—(1) Where an insurance is effected at a premium to be arranged, and no arrangement is made, a reasonable premium is payable.

(2) Where an insurance is effected on the terms that an additional premium is to be arranged in a given event, and that event happens but no arrangement is made, then a reasonable additional premium is payable.

#### DOUBLE INSURANCE

34. *Double insurance.*—(1) Where two or more policies are effected by or on behalf of the assured on the same adventure and interest or any part thereof, and the sums insured exceed the indemnity allowed by this Act, the assured is said to be over-insured by double insurance.

(2) Where the assured is over-insured by double insurance—

(a) the assured, unless the policy otherwise provides, may claim payment from the insurers in such order as he may think fit, provided that he is not

entitled to receive any sum in excess of the indemnity allowed by this Act;

(b) where the policy under which the assured claims is a valued policy, the assured must give credit as against the valuation, for any sum received by him under any other policy, without regard to the actual value of the subject-matter insured;

(c) where the policy under which the assured claims is an unvalued policy he must give credit, as against the full insurable value, for any sum received by him under any other policy;

(d) where the assured receives any sum in excess of the indemnity allowed by this Act, he is deemed to hold such sum in trust for the insurers, according to their right of contribution among themselves.

#### WARRANTIES, ETC.

35. *Nature of warranty.*—(1) A warranty, in the following sections relating to warranties means a promissory warranty, that is to say a warranty by which the assured undertakes that some particular thing shall or shall not be done, or that some condition shall be fulfilled, or whereby he affirms or negatives the existence of a particular state of facts.

(2) A warranty may be express or implied.

(3) A warranty, as above defined, is a condition which must be exactly complied with, whether it be material to the risk or not. If it be not so complied with, then, subject to any express provision in the policy, the insurer is discharged from liability as from the date of the breach of warranty, but without prejudice to any liability incurred by him before that date.

36. *When breach of warranty excused.*—(1) Non-compliance with a warranty is excused when, by reason of a change of circumstances, the warranty ceases to be applicable to the circumstances of the contract, or when compliance with the warranty is rendered unlawful by any subsequent law.

(2) Where a warranty is broken, the assured cannot avail himself of the defence that the breach has been remedied, and the warranty complied with, before loss.

(3) A breach of warranty may be waived by the insurer.

37. *Express warranties.*—(1) An express warranty may be in any form of words from which the intention to warrant is to be inferred.

(2) An express warranty must be included in, or written upon, the policy, or must be contained in some document incorporated by reference into the policy.

(3) An express warranty does not exclude implied warranty, unless it be inconsistent therewith.

38. *Warranty of neutrality.*—(1) Where insurable property, whether ship or goods, is expressly warranted neutral, there is an implied condition that the property shall have a neutral character at the commencement of the risk, and that, so far as the assured can control the matter, its neutral character shall be preserved during the risk.

(2) Where a ship is expressly warranted "neutral", there is also an implied condition that, so far as the assured can control the matter, she shall be properly documented, that is to say, that she shall carry the necessary papers to establish her neutrality, and that she shall not falsify or suppress her papers, or use simulated papers. If any loss occurs through breach of this conditions, the insurer may avoid the contract.

39. *No implied warranty of nationality.*—There is no implied warranty as to the nationality of a ship, or that her nationality shall not be changed during the risk.

**40. Warranty of good safety.**—Where the subject-matter insured is warranted "well" or "in good safety" on a particular day, it is sufficient if it be safe at any time during that day.

**41. Warranty of seaworthiness of ship.**—(1) In a voyage policy there is an implied warranty that at the commencement of the voyage the ship shall be seaworthy for the purpose of the particular adventure insured.

(2) Where the policy attaches while the ship is in port, there is also an implied warranty that she shall, at the commencement of the risk, be reasonably fit to encounter the ordinary perils of the port.

(3) Where the policy relates to a voyage which is performed in different stages, during which the ship requires different kinds of or further preparation or equipment, there is an implied warranty that at the commencement of each stage the ship is seaworthy in respect of such preparation or equipment for the purposes of that stage.

(4) A ship is deemed to be seaworthy when she is reasonably fit in all respects to encounter the ordinary perils of the seas of the adventure insured.

(5) In a time policy there is no implied warranty that the ship shall be seaworthy at any stage of the adventure, but where, with the privity of the assured, the ship is sent to sea in an unseaworthy state, the insurer is not liable for any loss attributable to unseaworthiness.

**42. No implied warranty that goods are seaworthy.**—(1) In a policy on goods or other movables there is no implied warranty that the goods or movables are seaworthy.

(2) In a voyage policy on goods or other movables there is an implied warranty that at the commencement of the voyage the ship is not only seaworthy as a ship, but also that she is reasonably fit to carry the goods or other movables to the destination contemplated by the policy.

**43. Warranty of legality.**—There is an implied warranty that the adventure insured is a lawful one, and that, so far as the assured can control the matter, the adventure shall be carried out in a lawful manner.

### THE VOYAGE

**44. Implied condition as to commencement of risk.**—(1) Where the subject-matter is insured by a voyage policy "at and from" or "from" a particular place, it is not necessary that the ship should be at that place when the contract is concluded, but there is an implied condition that the adventure shall be commenced within a reasonable time, and that if the adventure be not so commenced the insurer may avoid the contract.

(2) The implied condition may be negatived by showing that the delay was caused by circumstances known to the insurer before the contract was concluded, or by showing that he waived the condition.

**45. Alteration of port of departure.**—Where the place of departure is specified by the policy, and the ship, instead of sailing from that place sails from any other place, the risk does not attach.

**46. Sailing for different destination.**—Where the destination is specified in the policy, and the ship, instead of sailing for that destination, sails for any other destination, the risk does not attach.

**47. Change of voyage.**—(1) Where, after the commencement of the risk, the destination of the ship is voluntarily changed from the destination contemplated by the policy, there is said to be a change of voyage.

(2) Unless the policy otherwise provides, where there is a change of voyage, the insurer is discharged from liability as from the time of change, that is to say, as from the time when the determination to change it is manifested; and it is immaterial that the ship may not in fact have left the course of voyage contemplated by the policy when the loss occurs.

**48. Deviation.**—(1) Where a ship, without lawful excuse, deviates from the voyage contemplated by the policy the insured is discharged from liability as from the time of deviation, and it is immaterial that the ship may have regained her route before any loss occurs.

(2) There is a deviation from the voyage contemplated by the policy—

(a) where the course of the voyage is specifically designated by the policy, and that course is departed from; or

(b) where the course of the voyage is not specifically designated by the policy, but the usual and customary course is departed from.

(3) The intention to deviate is immaterial; there must be a deviation in fact to discharge the insurer from his liability under the contract.

**49. Several ports of discharge.**—(1) Where several ports of discharge are specified by the policy, the ship may proceed to all or any of them, but, in the absence of any usage or sufficient cause to the contrary, she must proceed to them, or such of them as she goes to, in the order designated by the policy. If she does not there is a deviation.

(2) Where the policy is to "ports of discharge", within a given area, which are not named, the ship must, in the absence of any usage or sufficient cause to the contrary, proceed to them, or such of them as she goes to, in their geographical order. If she does not there is a deviation.

**50. Delay in voyage.**—In the case of a voyage policy, the adventure insured must be prosecuted throughout its course with reasonable despatch, and, if without lawful excuse it is not so prosecuted, the insurer is discharged from liability as from the time when the delay became unreasonable.

**51. Excuse for deviation or delay.**—(1) Deviation or delay in prosecuting the voyage contemplated by the policy is excused—

(a) where authorised by any special term in the policy; or

(b) where caused by circumstances beyond the control of the master and his employer; or

(c) where reasonably necessary in order to comply with an express or implied warranty; or

(d) where reasonably necessary for the safety of the ship or subject-matter insured; or

(e) for the purpose of saving human life or aiding a ship in distress where human life may be in danger; or

(f) where reasonably necessary for the purpose of obtaining medical or surgical aid for any person on board the ship; or

(g) where caused by the barratrous conduct of the master or crew, if barratry be one of the perils insured against.

(2) When the cause excusing the deviation or delay ceases to operate, the ship must resume her course, and prosecute her voyage, with reasonable despatch.

### ASSIGNMENT OF POLICY

**52. When and how policy is assignable.**—(1) A marine policy may be transferred by assignment unless it contains

terms expressly prohibiting assignment. It may be assigned either before or after loss.

(2) Where a marine policy has been assigned so as to pass the beneficial interest in such policy, the assignee of the policy is entitled to sue thereon in his own name; and the defendant is entitled to make any defence arising out of the contract which he would have been entitled to make if the suit had been brought in the name of the person by or on behalf of whom the policy was effected.

(3) A marine policy may be assigned by endorsement thereon or in other customary manner.

**53. Assured who has no interest cannot assign.** Where the assured has parted with or lost his interest in the subject-matter insured, and has not, before or at the time of so doing expressly or impliedly agreed to assign the policy, any subsequent assignment of the policy is inoperative:

Provided that nothing in this section affects the assignment of a policy after loss.

#### THE PREMIUM

**54. When premium payable.**—Unless otherwise agreed, the duty of the assured or his agent to pay the premium, and the duty of the insurer to issue the policy to the assured or his agent, are concurrent conditions, and the insurer is not bound to issue the policy until payment or tender of the premium.

#### LOSS AND ABANDONMENT

**55. Included and excluded losses.**—(1) Subject to the provisions of this Act, and unless the policy otherwise provides, the insurer is liable for any loss proximately caused by a peril insured against, but, subject as aforesaid, he is not liable for any loss which is not proximately caused by a peril insured against.

(2) In particular

(a) the insurer is not liable for any loss attributable to the wilful misconduct of the assured, but, unless the policy otherwise provides, he is liable for any loss proximately caused by a peril insured against, even though the loss would not have happened but for the misconduct or negligence of the master or crew;

(b) unless the policy otherwise provides, the insurer on ship or goods is not liable for any loss proximately caused by delay, although the delay be caused by a peril insured against;

(c) unless the policy otherwise provides, the insurer is not liable for ordinary wear and tear, ordinary leakage and breakage, inherent vice or nature of the subject-matter insured, or for any loss proximately caused by rats or vermin, or for any injury to machinery not proximately caused by maritime perils.

**56. Partials and total loss.**—(1) A loss may be either total or partial. Any loss other than a total loss, as hereinafter defined, is a partial loss.

(2) A total loss may be either an actual total loss, or a constructive total loss.

(3) Unless a different intention appears from the terms of the policy, an insurance against total loss includes a constructive, as well as an actual, total loss.

(4) Where the assured brings a suit for a total loss and the evidence proves only a partial loss, he may, unless the policy otherwise provides, recover for a partial loss.

(5) Where goods reach their destination in specie, but by reason of obliteration of marks, or otherwise,

they are incapable of identification, the loss, if any, is partial and not total.

**57. Actual total loss.**—(1) Where the subject-matter insured is destroyed, or so damaged as to cease to be a thing of the kind insured, or where the assured is irretrievably deprived thereof, there is an actual total loss.

(2) In the case of an actual total loss no notice of abandonment need be given.

**58. Missing ship.**—Where the ship concerned in the adventure is missing, and after the lapse of a reasonable time no news of her has been received, an actual total loss may be presumed.

**59. Effect of transhipment, etc.**—Where, by a peril insured against, the voyage is interrupted at intermediate port or place, under such circumstances as, apart from any special stipulation in the contract of affreightment, to justify the master in landing and reshipping the goods or other movables, or in transhipping them, and sending them on to their destination, the liability of the insurer continues, notwithstanding the landing or transhipment.

**60. Constructive total loss defined.**—(1) Subject to any express provision in the policy, there is a constructive total loss where the subject-matter insured is reasonably abandoned on account of its actual total loss appearing to be unavoidable, or because it could not be preserved from actual total loss without an expenditure which would exceed its value when the expenditure had been incurred.

(2) In particular, there is a constructive total loss—

(i) where the assured is deprived of the possession of his ship or goods by a peril insured against, and

(a) it is unlikely that he can recover the ship or goods, as the case may be, or

(b) the cost of recovering the ship or goods, as the case may be,

(i) would exceed their value when recovered; or

(ii) in the case of damage to a ship, where she is so damaged by a peril insured against that the cost of repairing the damage would exceed the value of the ship when repaired.

In estimating the cost of repairs, no deduction is to be made in respect of general average contributions to those repairs payable by other interests, but account is to be taken of the expense of future salvage operations and of any future general average contributions to which the ship would be liable if repaired; or

(iii) in the case of damage to goods, where the cost of repairing the damage and forwarding the goods to their destination would exceed their value on arrival.

**61. Effect of constructive total loss.**—Where there is a constructive total loss the assured may either treat the loss as a partial loss, or abandon the subject-matter insured to the insurer and treat the loss as if it were an actual total loss.

**62. Notice of abandonment.**—(1) Subject to the provisions of this section, where the assured elects to abandon the subject-matter insured to the insurer, he must give notice of abandonment. If he fails to do so the loss can only be treated as a partial loss.

(2) Notice of abandonment may be given in writing, or by word of mouth, or partly in writing and partly by word of mouth, and may be given in any terms which indicate the intention of the assured to abandon

his insured interest in the subject-matter insured unconditionally to the insurer.

(3) Notice of abandonment must be given with reasonable diligence after the receipt of reliable information of the loss, but where the information is of a doubtful character the assured is entitled to a reasonable time to make enquiry.

(4) Where notice of abandonment is properly given, the rights of the assured are not prejudiced by the fact that the insurer refuses to accept the abandonment.

(5) The acceptance of an abandonment may be either express or implied from the conduct of the insurer. The mere silence of the insurer after notice is not an acceptance.

(6) Where notice of abandonment is accepted the abandonment is irrevocable. The acceptance of the notice conclusively admits liability for the loss and the sufficiency of the notice.

(7) Notice of abandonment is unnecessary where at the time when the assured receives information of the loss, there would be no possibility of benefit to the insurer if notice were given to him.

(8) Notice of abandonment may be waived by the insurer.

(9) Where an insurer has reinsured his risk, no notice of abandonment need be given by him.

**63. Effect of abandonment.**—(1) Where there is a valid abandonment the insurer is entitled to take over the interest of the assured in whatever may remain of the subject-matter insured, and all proprietary rights incidental thereto.

(2) Upon the abandonment of a ship, the insurer thereof is entitled to any freight in course of being earned, and which is earned by her subsequent to the casualty causing the loss, less the expenses of earning it incurred after the casualty; and, where the ship is carrying the owner's goods, the insurer is entitled to a reasonable remuneration for the carriage of them subsequent to the casualty causing the loss.

#### PARTIAL LOSSES (INCLUDING SALVAGE AND GENERAL AVERAGE AND PARTICULAR CHARGES)

**64. Particular average loss.**—(1) A particular average loss is a partial loss of the subject matter insured, caused by a peril insured against, and which is not a general average loss.

(2) Expenses incurred by or on behalf of the assured for the safety or preservation of the subject-matter insured, other than general average and salvage charges, are called particular charges. Particular charges are not included in particular average.

**65. Salvage charges.**—(1) Subject to any express provision in the policy, salvage charges incurred in preventing a loss by perils insured against may be recovered as a loss by those perils.

(2) "Salvage charges" means the charges recoverable under maritime law by a salvor independently of contract. They do not include the expenses of services in the nature of salvage rendered by the assured or his agents, or any person employed for hire by them, for the purpose of averting a peril insured against. Such expenses, where properly incurred, may be recovered as particular charges or as a general average loss, according to the circumstances under which they were incurred.

**66. General average loss.**—(1) A general average loss is a loss caused by or directly consequential on a general average act. It includes a general average expenditure as well as a general average sacrifice.

(2) There is a general average act where any extraordinary sacrifice or expenditure is voluntarily and reasonably made or incurred in time of peril for the purpose of preserving the property imperilled in the common adventure.

(3) Where there is a general average loss, the party on whom it falls is entitled, subject to the conditions imposed by maritime law, to a rateable contribution from the other parties interested, and such contribution is called a general average contribution.

(4) Subject to any express provision in the policy, where the assured has incurred a general average of expenditure, he may recover from the insurer in respect of the proportion of the loss which falls upon him; and in the case of a general average sacrifice, he may recover from the insurer in respect of the whole loss without having enforced his right of contribution from the other parties liable to contribute.

(5) Subject to any express provision in the policy, where the assured has paid, or is liable to pay, a general average contribution in respect of the interest insured, he may recover therefor from the insurer.

(6) In the absence of express stipulation, the insurer is not liable for any general average loss or contribution where the loss was not incurred for the purpose of avoiding, or in connection with the avoidance of a peril insured against.

(7) Where ship, freight, and cargo, or any two of those interests, are owned by the same assured, the liability of the insurer in respect of general average losses or contributions is to be determined as if those interests were owned by different persons.

#### MEASURE OF INDEMNITY

**67. Extent of liability of insurer for loss.**—(1) The sum which the assured can recover in respect of a loss on a policy by which he is insured, in the case of an unvalued policy to the full extent of the insurable value, or, in the case of a valued policy to the full extent of the value fixed by the policy, is called the measure of indemnity.

(2) Where there is a loss recoverable under the policy, the insurer, or each insurer if there be more than one, is liable for such proportion of the measure of indemnity as the amount of his subscription bears to the value fixed by the policy in the case of a valued policy, or to the insurable value in the case of an unvalued policy.

**68. Total loss.**—Subject to the provisions of this Act, and to any express provision in the policy, where there is a total loss of the subject-matter insured—

- (1) if the policy be a valued policy, the measure of indemnity is the sum fixed by the policy;
- (2) if the policy be an unvalued policy, the measure of indemnity is the insurable value of the subject-matter insured.

**69. Partial loss of ship.**—Where a ship is damaged, but is not totally lost, the measure of indemnity subject to any express provision in the policy, is as follows:—

- (1) where the ship has been repaired, the assured is entitled to the reasonable cost of the repairs, less the customary deductions, but not exceeding the sum insured in respect of any one casualty;
- (2) where the ship has been only partially repaired, the assured is entitled to the reasonable cost of such repairs, computed as above, and also to be indemnified for the reasonable depreciation, if any, arising from the unrepaired damage, provided that the aggregate amount shall not exceed the cost of repairing the whole damage, computed as above;

- (3) where the ship has not been repaired, and has not been sold in her damaged state during the risk, the assured is entitled to be indemnified for the reasonable depreciation arising from the un-repaired damage, but not exceeding the reasonable cost of repairing such damage, computed as above;
- (4) where the ship has not been repaired, and has been sold in her damaged state during the risk, the assured is entitled to be indemnified for the reasonable cost of repairing the damage, computed as above, but not exceeding the depreciation in value as ascertained by the sale.

**70. Partial loss of freight.**—Subject to any express provision in the policy, where there is a partial loss of freight, the measure of indemnity is such proportion of the sum fixed by the policy in the case of a valued policy or of the insurable value in the case of an unvalued policy, as the proportion of freight lost by the assured bears to the whole freight at the risk of the assured under the policy.

**71. Partial loss of goods, merchandise, etc.**—Where there is a partial loss of goods, merchandise, or other movables, the measure of indemnity, subject to any express provision in the policy, is as follows:—

- (1) where part of the goods, merchandise or other movables insured by a valued policy is totally lost, the measure of indemnity is such proportion of the sum fixed by the policy as the insurable value of the part lost bears to the insurable value of the whole, ascertained as in the case of an unvalued policy;
- (2) where part of the goods, merchandise or other movables insured by an unvalued policy is totally lost, the measure of indemnity is the insurable value of the part lost, ascertained as in case of total loss;
- (3) where the whole or any part of the goods or merchandise insured has been delivered damaged at its destination, the measure of indemnity is such proportion of the sum fixed by the policy in the case of a valued policy, or of the insurable value in the case of an unvalued policy, as the difference between the gross sound and damaged values at the place of arrival bears to the gross sound value;
- (4) "Gross value" means the wholesale price, or, if there be no such price, the estimated value, with, in either case, freight, landing charges, and duty paid beforehand; provided that, in the case of goods or merchandise customarily sold in bond, the bonded price is deemed to be the gross value. "Gross proceeds" means the actual price obtained at a sale where all charges on sale are paid by the sellers.

**72. Apportionment of valuation.**—(1) Where different species of property are insured under a single valuation, the valuation must be apportioned over the different species in proportion to their respective insurable values, as in the case of an unvalued policy. The insured value of any part of a species is such proportion of the total insured value of the same as the insurable value of the part bears to the insurable value of the whole, ascertained in both cases as provided by this Act.

(2) Where a valuation has to be apportioned, and particulars of the prime cost of each separate species, quality, or description of goods cannot be ascertained, the division of the valuation may be made over the net arrived sound values of the different species, qualities, or descriptions of goods.

**73. General average contributions and salvage charges.**—(1) Subject to any express provision in the

policy, where the assured has paid, or is liable for, any general average contribution, the measure of indemnity is the full amount of such contribution if the subject-matter liable to contribution is insured for its full contributory value; but, if such subject-matter be not insured for its full contributory value, or if only part of it be insured the indemnity payable by the insurer must be reduced in proportion to the under insurance, and where there has been a particular average loss which constitutes a deduction from the contributory value, and for which the insurer is liable, that amount must be deducted from the insured value in order to ascertain what the insurer is liable to contribute.

(2) Where the insurer is liable for salvage charges the extent of his liabilities must be determined on the like principle.

**74. Liabilities to third parties.**—Where the assured has effected an insurance in express terms against any liability to a third party, the measure of indemnity, subject to any express provision in the policy, is the amount paid or payable by him to such third party in respect of such liability.

**75. General provisions as to measure of indemnity.**—(1) Where there has been a loss in respect of any subject-matter not expressly provided for in the foregoing provisions of this Act, the measure of indemnity shall be ascertained as nearly as may be, in accordance with those provisions, in so far as applicable to the particular case.

(2) Nothing in the provisions of this Act relating to the measure of indemnity shall affect the rules relating to double insurance, or prohibit the insurer from disproving interest wholly or in part, or from showing that at the time of the loss the whole or any part of the subject-matter insured was not at risk under the policy.

**76. Particular average warranties.**—(1) Where the subject-matter insured is warranted free from particular average, the assured cannot recover for a loss of part, other than a loss incurred by a general average sacrifice, unless the contract contained in the policy be apportionable; but, if the contract be apportionable, the assured may recover for a total loss of any apportionable part.

(2) Where the subject-matter insured is warranted free from particular average, either wholly or under a certain percentage, the insurer is nevertheless liable for salvage charges, and for particular charges and other expenses properly incurred pursuant to the provisions of the suing and labouring clause in order to avert a loss insured against.

(3) Unless the policy otherwise provides, where the subject-matter insured is warranted free from particular average under a specified percentage, a general average loss cannot be added to a particular average loss to make up the specified percentage.

(4) For the purpose of ascertaining whether the specified percentage has been reached, regard shall be had only to the actual loss suffered by the subject-matter insured. Particular charges and the expenses of and incidental to ascertaining and proving the loss must be excluded.

**77. Successive losses.**—(1) Unless the policy otherwise provides, and subject to the provisions of this Act, the insurer is liable for successive losses, even though the total amount of such losses may exceed the sum insured.

(2) Where, under the same policy, a partial loss, which has not been repaired or otherwise made good, is followed by a total loss, the assured can only recover in respect of the total loss:

Provided that nothing in this section shall affect the liability of the insurer under the suing and labouring clause.

**78. Suing and labouring clause.**—(1) Where the policy contains a suing and labouring clause, the engagement thereby entered into is deemed to be supplementary to the contract of insurance, and the assured may recover from the insurer any expenses properly incurred pursuant to the clause, notwithstanding that the insurer may have paid for a total loss, or that the subject-matter may have been warranted free from particular average, either wholly or under a certain percentage.

(2) General average losses and contributions and salvage charges, as defined by this Act, are not recoverable under the suing and labouring clause.

(3) Expenses incurred for the purpose of averting or diminishing any loss not covered by the policy are not recoverable under the suing and labouring clause.

(4) It is the duty of the assured and his agents, in all cases, to take such measures as may be reasonable for the purpose of averting or minimising a loss.

#### RIGHTS OF INSURER ON PAYMENTS

**79. Right of subrogation.**—(1) Where the insurer pays for a total loss either of the whole, or in the case of goods of any apportionable part, of the subject-matter insured, he thereupon becomes entitled to take over the interest of the assured in whatever may remain of the subject-matter so paid for, and he is thereby subrogated to all the rights and remedies of the assured in and in respect of the subject-matter as from the time of the casualty causing the loss.

(2) Subject to the foregoing provisions, where the insurer pays for a partial loss, he acquires no title to the subject-matter insured, or such part of it as may remain, but he is thereupon subrogated to all rights and remedies of the assured in and in respect of the subject-matter insured as from the time of the casualty causing the loss, in so far as the assured has been indemnified according to this Act, by such payment for the loss.

**80. Right of Contribution.**—(1) Where the assured is over-insured by double insurance, each insurer is bound, as between himself and the other insurers, to contribute rateably to the loss in proportion to the amount for which he is liable under his contract.

(2) If any insurer pays more than his proportion of the loss, he is entitled to maintain a suit for contribution against the other insurers, and is entitled to the like remedies as a surety who has paid more than his proportion of the debt.

**81. Effect of under insurance.**—Where the assured is insured for an amount less than the insurable value, or, in the case of a valued policy, for an amount less than the policy valuation, he is deemed to be his own insurer in respect of the uninsured balance.

#### RETURN OF PREMIUM

**82. Enforcement of return.**—Where the premium, or a proportionate part thereof, is, by this Act, declared to be returnable—

- (a) if already paid, it may be recovered by the assured from the insurer, and
- (b) if unpaid, it may be retained by the assured or his agent.

**83. Return by agreement.**—Where the policy contains a stipulation for the return of the premium, or a proportionate part thereof, on the happening of a certain event and that event happens, the premium, or, as the case may be, the proportionate part thereof, is thereupon returnable to the assured.

**84. Return for failure of consideration.**—(1) Where the consideration for the payment of the premium totally fails, and there has been no fraud or illegality on the part of the assured or his agents, the premium is thereupon returnable to the assured.

(2) Where the consideration for the payment of the premium is apportionable and there is a total failure of any apportionable part of the consideration, a proportionate part of the premium is, under the like conditions, thereupon returnable to the assured.

(3) In particular—

- (a) where the policy is void, or is avoided by the insurer as from the commencement of the risk, the premium is returnable, provided there has been no fraud or illegality on the part of the assured; but if the risk is not apportionable, and has once attached, the premium is not returnable;
- (b) where the subject-matter insured, or part thereof, has never been imperilled the premium, or, as the case may be, a proportionate part thereof, is returnable:

Provided that where the subject-matter has been insured "lost or not lost", and has arrived in safety at the time when the contract is concluded, the premium is not returnable unless, at such time, the insurer knew of the safe arrival:

- (c) where the assured has no insurable interest throughout the currency of the risk the premium is returnable, provided that this rule does not apply to a policy effected by way of wagering;
- (d) where the assured has a defeasible interest which is terminated during the currency of the risk, the premium is not returnable;
- (e) where the assured has over-insured under an unvalued policy, a proportionate part of the premium is returnable;
- (f) subject to the foregoing provisions, where the assured has over-insured by double insurance, a proportionate part of the several premiums is returnable:

Provided that, if the policies are effected at different times, and any earlier policy has at any time borne the entire risk, or if a claim has been paid on the policy in respect of the full sum insured thereby, no premium is returnable in respect of that policy, and when the double insurance is effected knowingly by the assured no premium is returnable.

#### SUPPLEMENTAL

**85. Ratification by assured.**—Where a contract of marine insurance is in good faith effected by one person on behalf of another, the person on whose behalf it is effected may ratify the contract even after he is aware of a loss.

**86. Implied obligation varied by agreement or usage.**

(1) Where any right, duty, or liability would arise under a contract of marine insurance by implication of law, it may be negatived or varied by express agreement, or by usage, if the usage be such as to bind both parties to the contract.

(2) The provisions of this section extend to any right, duty, or liability declared by this Act which may be lawfully modified by agreement.

**87. Reasonable time, etc., a question of fact.**—Where by this Act any reference is made to reasonable time, reasonable premium, or reasonable diligence, the question what is reasonable is a question of fact.

**88. Covering note as evidence.**—Where there is a duly stamped policy, reference may be made, as heretofore, to the slip or covering note, in any legal proceeding.

**89. Power to apply Act with modifications etc. in certain cases.** The Central Government may, by notification in the Official Gazette, direct that the provisions of this Act shall, in their application to contracts of marine insurance relating to any class of ships exclusively used in inland navigation, be subject to such conditions, exceptions and modifications as it may specify in the notification.

**90. Certain provisions to override Transfer of Property Act, 1882.**--Nothing in clause (e) of section 6 of the Transfer of Property Act, 1882 (4 of 1882), shall affect the provisions of sections 17, 52, 53 and 79.

**91. Savings.** The rules of law, including the law merchant, which applied to contracts of marine insurance immediately before the commencement of this Act, save in so far as they are inconsistent with the express provisions of this Act, shall continue to apply to contracts of marine insurance.

**92. Repeals.**--Sub-sections (1), (2) and (3) of section 7 of the Indian Stamp Act, 1899 (4 of 1899), and sections 130A and 135A of the Transfer of Property Act, 1882 (4 of 1882) are hereby repealed.

#### SCHEDULE FORM OF POLICY (See section 24)

**BET IT KNOWN THAT** as well in own name as for and in the name and names of all and every other person or persons to whom the same doth, may, or shall appertain, in part or in all doth make assurance and cause and them, and every of them, to be insured lost or not lost, at and from upon any kind of goods and merchandises, and also upon the body, tackle, apparel, ordnance, munition, artillery, boat and other furniture, of and in the good ship or vessel called the

whereof is master for this present voyage or whosoever else shall go for master in the said ship or by whatsoever other name or names the said ship, or the master thereof, is or shall be named or called; beginning the adventure upon the said goods and merchandises from the loading thereof aboard the said ship,

upon the said ship, etc.

and so shall continue and endure, during her abode there, upon the said ship etc. And further, until the said ship, with all her ordnance, tackle, apparel, etc., and goods and merchandises whatsoever shall be arrived at upon the said ship, etc., until she hath moored at anchor twenty-four hours in good safety; and upon the goods and merchandises, until the same be there discharged and safely landed. And it shall be lawful for the said ship, etc., in this voyage to proceed and sail to and touch and stay at any ports or places whatsoever without prejudice to this insurance. The said ship, etc., goods and merchandises, etc., for so much as concerned the assured by agreement between the assured and assurers in this policy, are and shall be valued at

Touching the adventures and perils which we the assurers are contented to bear and do take upon us in this voyage: they are of the seas, men of war, fire, enemies, pirates, rovers, thieves, jettisons, letters of mart and counter-mart, surprisals, takings at sea, arrests, restraints, and detainments of all kinds, princes, and people, of what nation, condition, or quality soever, barratry of the master and mariners, and of all other perils, losses, and misfortunes that have or shall come to the hurt, detriment, or damage of the said goods and merchandises, and ship, etc., or any part thereof.

And in case of any loss or misfortune it shall be lawful to the assured, their factors, servants and assigns, to sue, labour, and travel for, in and about the defence, safeguards and recovery of the said goods and merchandises and ship, etc., or any part thereof, without prejudice to this insurance; to the charges whereof we, the assurers, will contribute each one according to the rate and quantity of his sum herein assured.

And it is especially declared and agreed that no acts of the insurer or insured in recovering, saving, or preserving the property insured shall be considered as a waiver, or acceptance of abandonment. And so we, the assurers, are contented, and do hereby promise and bind ourselves, each one for his own part, our heirs, executors, and goods to the assured, their executors, administrators, and assigns, for the true performance of the premises, confessing ourselves paid the consideration due unto us for this assurance by the assured, at and after the rate of

In witness whereof we, the assurers, have subscribed our names and sums assured in.

**MEMORANDUM N.B.**—Corn, fish, salt, fruit, flour and seed are warranted free from average, unless general or the ship be stranded,—sugar, tobacco, hemp, flax, hides and skins are warranted free from average, under five per cent, and all other goods, also the ship and freight, are warranted free from average, under three per cent unless general, or the ship be stranded.

#### RULES FOR CONSTRUCTION OF POLICY

The following are the rules referred to by this Act for the construction of a policy in the above or other like form, where the context does not otherwise require:

**1. Lost or not lost.**—Where the subject-matter is insured "lost or not lost" and the loss has occurred before the contract is concluded, the risk attaches unless, at such time the assured was aware of the loss, and the insurer was not.

**2. From.**—Where the subject-matter is insured "from" a particular place, the risk does not attach until the ship starts on the voyage insured.

**3. At and from.**—(a) Where a ship is insured "at and from" a particular place, and she is at that place in good safety when the contract is concluded, the risk attaches immediately.

(b) If she be not at that place when the contract is concluded, the risk attaches as soon as she arrives there in good safety, and, unless the policy otherwise provides it is immaterial that she is covered by another policy for a specified time after arrival.

(c) Where chartered freight is insured "at and from" a particular place, and the ship is at that place in good safety when the contract is concluded, the risk attaches immediately. If she be not there when the contract is concluded, the risk attaches as soon as she arrives there in good safety.

(d) Where freight, other than chartered freight, is payable without special conditions and is insured "at and from" a particular place, the risk attaches *pro rata* as the goods or merchandise are shipped; provided that if there be cargo in readiness which belongs to the ship-owner, or which some other person has contracted with him to ship, the risk attaches as soon as the ship is ready to receive such cargo.

**4. From the loading thereof.**—Where goods or other movables are insured "from the loading thereof", the risk does not attach until such goods or movables are actually on board, and the insurer is not liable for them while in transit from the shore to the ship.

**5. Safety landed.** Where the risk on goods or other

movables continues until they are "safely landed", they must be landed in the customary manner and within a reasonable time after arrival at the port of discharge, and if they are not so landed the risk ceases.

**6. Touch and stay.**—In the absence of any further license or usage, the liberty to touch and stay "at any port or place whatsoever" does not authorise the ship to depart from the course of her voyage from the port of departure to the port of destination.

**7. Perils of the Seas.**—The term "perils of the seas" refers only to fortuitous accidents or casualties of the seas. It does not include the ordinary action of the winds and waves.

**8. Pirates.**—The term "pirates" includes passengers who mutiny and rioters who attack the ship from the shore.

**9. Thieves.**—The term "thieves" does not cover clandestine theft or a theft committed by any one of the ship's company, whether crew or passengers.

**10. Restraint of Princes.**—The term "arrests, etc., of kings, princes, and people" refers to political or executive acts, and does not include a loss caused by riot or by ordinary judicial process.

**11. Barratry.**—The term "barratry" includes every wrongful act wilfully committed by the master or crew to the prejudice of the owner, or, as the case may be, the charterer.

**12. All other perils.**—The term "all other perils" includes only perils similar in kind to the perils specifically mentioned in the policy.

**13. Average unless General.**—The term "average unless general" means a partial loss of the subject-matter insured other than a general average loss, and does not include "particular charges".

**14. Stranded.**—Where the ship has stranded, the insurer is liable for the expected losses although the loss is not attributable to the stranding, provided that when the stranding takes place the risk has attached and, if the policy be on goods, that the damaged goods are on board.

**15. Ship.**—The term "ship" includes the hull, material and outfit, stores and provisions for the officers and crew, and, in the case of vessels engaged in a special trade, the ordinary fittings requisite for the trade, and also, in the case of a steamship, the machinery, boilers, and coals and engine stores, if owned by the assured and also in the case of a ship driven by power other than steam, the machinery and fuels and engine stores, if owned by the assured.

**16. Freight.**—The term "freight" includes the profit derivable by a shipowner from the employment of his ship to carry his own goods or movables as well as freight payable by a third party, but does not include passage money.

**17. Goods.**—The term "goods" means goods in the nature of merchandise, and does not include personal effects or provisions and stores for use on board.

In the absence of any usage to the contrary, deck cargo and living animals must be insured specifically, and not under the general denomination of goods.